TD 98/7 - Fringe benefits tax: for the purposes of Division 7 of the Fringe Benefits Tax Assessment Act 1986 (FBTAA), what amount represents a reasonable food component of a living-away-from-home allowance for expatriate employees for the fringe benefits tax year commencing on 1 April 1998?

Taxation Determination

Fringe benefits tax: for the purposes of Division 7 of the *Fringe Benefits Tax Assessment Act 1986* (FBTAA), what amount represents a reasonable food component of a living-away-from-home allowance for expatriate employees for the fringe benefits tax year commencing on 1 April 1998?

Preamble

The number, subject heading, date of effect and paragraphs 1 and 2 of this Taxation Determination are a 'public ruling' for the purposes of Part IVAAA of the *Taxation Administration Act 1953* and are legally binding on the Commissioner. The remainder of the Determination is administratively binding on the Commissioner. Taxation Rulings TR 92/1 and TR 97/16 together explain how a Determination is legally or administratively binding.

Date of effect

This Determination applies for the FBT year commencing on 1 April 1998. However, it does not apply to taxpayers to the extent that it conflicts with the terms of settlement of a dispute agreed to before the date of the Determination (see paragraphs 21 and 22 of Taxation Ruling TR 92/20).

1. The reasonable food component for the fringe benefits tax year commencing on 1 April 1998, as shown below, is the result of indexation to reflect movements in the food sub-group of the Consumer Price Index:

	per week
One adult	$137
Two adults	$221
Three adults	$248
Two adults and one or two children	$248
Two adults and three children	$289
Three adults and one child	$289
Three adults and two children	$330
Four adults	$330

('Adults' for this purpose are persons aged 12 years or more).

2. In relation to larger family groupings, we accept a food component based on the above figures plus $82 for each additional adult and $41 for each additional child.

3. This Determination is intended to be read in conjunction with Taxation Ruling MT 2040. MT 2040 sets out the amounts that represent a reasonable food component of living-away-from-home allowances received by expatriate employees during their term of employment in Australia for the FBT years ended 31 March 1987 and 1988. Indexed amounts for subsequent years are

provided in MT 2043, MT 2045, MT 2047, MT 2051, TD 93/41, TD 94/23, TD 95/55, TD 96/25 and TD 97/9.

Example

Bob and his wife and five children(all under 12 years of age) are temporarily living in Australia while Bob is working on a project for his employer (an overseas company). Bob is in receipt of a living-away-from-home allowance. The amount that is considered to be a reasonable food component of the allowance for the year commencing 1 April 1998 is $371 per week (i.e., $289 plus $82).

Commissioner of Taxation
6 May 1998

FOI INDEX DETAIL: Reference No. I 1015605 Not previously issued in draft form

Related Determinations: TD 93/41; TD 93/230; TD 94/23; TD 95/55; TD 96/25; TD 97/9

Related Rulings: MT 2030; MT 2040; MT 2043; MT 2045; MT 2047; MT 2051

Subject Ref: fringe benefits tax; living-away-from-home allowance

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