# *TR 1999/6A - Addendum - Income tax and fringe benefits tax: flight rewards received under frequent flyer and other similar consumer loyalty programs*

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# Addendum

## Taxation Ruling

## Income tax and fringe benefits tax: flight rewards received under frequent flyer and other similar consumer loyalty programs

This Addendum amends Taxation Ruling TR 1999/6 to clarify that there are two exceptions where flight rewards are provided to an employee which are outside the intended application of the ruling.

**Taxation Ruling TR 1999/6 is amended as follows:**

**Paragraph 7**

Omit the first 3 sentences and substitute the following including footnote:

> Flight rewards, with the following exceptions, are not subject to FBT as they result from a personal (that is, non-employment) contractual relationship. The first exception is where the person with the personal contract is also an employer and provides the flight reward received to an employee in respect of the employment. That is, under the conditions of the flight reward program, FBT only applies where the employer and employee have a family relationship and the flight reward is received in connection with the employment. The second exception is where, in respect of the employment of an employee, a flight reward is provided to an employee, or the employee's associate, under an 'arrangement' for the purposes of the FBTAA, that results from business expenditure.[1]
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> [1] Law Administration Practice Statement 2004/4(GA) provides further guidance in circumstances where a reward is received under a consumer loyalty program that results from points accrued from business expenditure where those rewards may be subject to fringe benefits tax.

This Addendum applies from 14 July 2004, its date of issue.

**Commissioner of Taxation**
14 July 2004

ATO references
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