

OVERVIEW

For the 2011–12 fringe benefits tax (FBT) year:

- FBT payable by Australian Government departments was \$439.1 million, a 0.9% decrease from 2010–11
- FBT payable for other employers was \$3.3 billion, an increase of 1.7% from 2010–11
- FBT rebates of \$108.7 million were claimed, a 6.1% increase from 2010–11
- employee contributions towards the cost of providing fringe benefits totalled \$1.4 billion, an increase of 15.5% from 2010–11.

INTRODUCTION

A fringe benefit is, generally speaking, a benefit provided in respect of employment. Fringe benefits are provided to employees (or associates of the employees) in place of, or in addition to, salary or wages. Benefits include any right, privilege, service or facility – for example, the use of a car for private purposes.

Fringe benefits tax (FBT) is the tax paid by employers on fringe benefits. The benefit does not have to be provided directly by the employer for FBT to apply. FBT may also apply if the benefit is provided by an associate of the employer or by a third party under an arrangement with the employer or an associate of the employer. The rate of FBT for the 2011–12 FBT year remained unchanged from the previous year, at 46.5%.

Employers can generally claim an income tax deduction for the cost of providing fringe benefits. FBT paid by an employer may also be an allowable income tax deduction. Employees generally do not pay income tax on the fringe benefits they receive.

The FBT year runs from 1 April to 31 March, rather than from 1 July to 30 June as is the case for other tax types. The 2011–12 FBT year ran from 1 April 2011 to 31 March 2012. FBT returns must be lodged by 21 May each year. These features of the FBT system enable the reporting of FBT statistics that are one year ahead of the statistics based on other income year return forms – for example, for individuals' tax.

BOX 8.1: Calculating taxable status for fringe benefits tax¹

Taxable status is calculated as:

	Amount of tax payable (item 16)
less	Amount of rebate (item 18)
<i>gives</i>	<i>Sub-total (item 19)</i>

<i>Taxable</i>	where the sub-total is greater than zero
<i>Non-taxable</i>	where the sub-total is zero or less

¹ Items in brackets refer to fringe benefit return labels.

FBT RETURNS

There were 65,237 FBT returns lodged for 2011–12, a decrease of 1.8% from 2010–11.

TABLE 8.1: FBT returns, by employer type and taxable status, 2010–11 and 2011–12 FBT years

Employer type	2010–11 ¹		2011–12 ¹	
	No.	%	No.	%
Australian Government departments	112	0.2	106	0.2
Other employers				
Taxable	50,246	75.6	48,415	74.2
Non-taxable	16,070	24.2	16,716	25.6
<i>Total</i>	<i>66,316</i>	<i>99.8</i>	<i>65,131</i>	<i>99.8</i>
Total²	66,428	100.0	65,237	100.0

¹ Data for the 2010–11 and 2011–12 FBT years includes data from FBT returns processed up to 31 October 2011 and 31 October 2012 respectively.

² Totals may differ from the sum of the components, due to rounding.

FBT PAYABLE

The FBT payable by an employer is calculated by applying the FBT rate to the 'fringe benefits taxable amount'. For the 2011–12 FBT year, total FBT payable increased by 1.4% to \$3.7 billion. FBT payable by Australian Government departments decreased by 0.9% to around \$439 million, while FBT payable by other employers increased by 1.7% to \$3.3 billion.

TABLE 8.2: FBT payable¹, by employer type, taxable status and broad industry², 2010–11 and 2011–12 FBT years

Employer type	2010–11 ³		2011–12 ³	
	No.	\$m	No.	\$m
Australian Government departments	112	443	106	439
Other employers				
Taxable				
Agriculture, forestry and fishing	828	17	779	18
Mining	999	246	1,048	272
Manufacturing	5,926	416	5,568	397
Electricity, gas, water and waste services	340	59	329	60
Construction	3,638	135	3,481	148
Wholesale trade	6,338	389	6,199	380
Retail trade	3,599	167	3,431	167
Accommodation and food services	1,323	38	1,268	37
Transport, postal and warehousing	1,481	125	1,388	115
Information media and telecommunications	964	106	915	100
Financial and insurance services	3,203	331	3,127	340
Rental, hiring and real estate services	2,019	65	1,922	65
Professional, scientific and technical services	8,062	337	7,737	351
Administrative and support services	2,211	132	2,198	135
Public administration and safety	977	224	981	216
Education and training	1,919	145	1,916	161
Health care and social assistance	2,488	56	2,332	62
Arts and recreation services	601	43	569	45
Other services	2,054	91	1,939	96
Not stated	1,276	88	1,288	101
<i>Industry total⁴</i>	<i>50,246</i>	<i>3,211</i>	<i>48,415</i>	<i>3,267</i>
Non-taxable	16,071	0	16,716	0
Total⁴	66,428	3,654	65,237	3,706

1 Refers to FBT payable calculated before rebates were deducted.

2 The industry groups are classified based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 codes on the Australian Business Register.

3 Data for the 2010–11 and 2011–12 FBT years relates to FBT returns processed up to 31 October 2011 and 31 October 2012 respectively.

4 Totals may differ from the sum of the components, due to rounding.

Fringe benefits fall into two general categories, according to whether or not the benefit is a 'GST-creditable benefit'. Type 1 benefits are those for which the provider of the benefit is entitled to a GST input tax credit because of the provision of the benefit or because of the acquisition or importation of the thing they provided as a benefit. Type 2 benefits are those that are not type 1 fringe benefits.

For taxable 'other employers', the value of type 1 benefits accounted for 71.9% of all benefits. The number of type 1 benefits provided is more than the number of type 2 benefits provided for all industries.

TABLE 8.3: Type 1 and 2 aggregate amounts, by employer type, taxable status and broad industry¹, 2011–12 FBT year²

Employer type	Type 1 aggregate amount		Type 2 aggregate amount	
	No.	\$m	No.	\$m
Australian Government departments	106	68	78	430
Other employers				
Taxable				
Agriculture, forestry and fishing	688	14	279	6
Mining	1,014	136	488	163
Manufacturing	5,432	331	1,454	92
Electricity, gas, water and waste services	323	52	143	12
Construction	3,366	123	742	35
Wholesale trade	6,065	329	1,596	73
Retail trade	3,315	146	1,086	31
Accommodation and food services	1,115	25	512	15
Transport, postal and warehousing	1,335	97	437	25
Information media and telecommunications	895	83	317	23
Financial and insurance services	2,915	244	1,130	122
Rental, hiring and real estate services	1,810	56	454	13
Professional, scientific and technical services	7,404	267	1,932	107
Administrative and support services	2,056	115	588	26
Public administration and safety	948	171	465	41
Education and training	1,787	85	1,054	89
Health care and social assistance	1,642	26	335	8
Arts and recreation services	520	27	251	22
Other services	1,692	67	618	34
Not stated	1,144	77	445	30
<i>Industry total³</i>	<i>45,466</i>	<i>2,470</i>	<i>14,326</i>	<i>965</i>
Non-taxable	0	0	0	0
Total³	45,572	2,539	14,404	1,395

1 The industry groups are classified based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 codes on the Australian Business Register.

2 Data for 2011–12 relates to FBT returns processed up to 31 October 2012.

3 Totals may differ from the sum of the components, due to rounding.

FBT REBATES

FBT is payable on the grossed-up taxable value of benefits, and an offsetting income tax deduction is allowed for the FBT paid. However, certain non-profit employers (such as religious institutions, trade unions, scientific and public educational institutions, and endorsed charitable institutions) are exempt from income tax and cannot claim income tax deductions

for the FBT they pay. To ensure that these employers are not disadvantaged, they are generally eligible for an FBT rebate of 48% of the gross FBT payable.

For the 2011–12 FBT year, FBT rebates increased by 6.1% to \$108.7 million. The industry with the largest number of taxable 'Other employers' claiming a rebate was education and training, with 41.7% of the total number of FBT rebates claimed.

TABLE 8.4: FBT rebates claimed, by employer type, taxable status and broad industry¹, 2010–11 and 2011–12 FBT years

Employer type	2010–11 ²		2011–12 ²	
	No.	\$m	No.	\$m
Australian Government departments	0	0.0	0	0.0
Other employers				
Taxable				
Agriculture, forestry and fishing	23	0.1	24	0.2
Manufacturing ³	8	..	7	..
Construction	6	0.1	7	0.1
Wholesale trade	14	1.2	9	1.1
Retail trade	11	0.1	11	0.1
Accommodation and food services	263	4.1	238	3.8
Transport, postal and warehousing	7	0.3	8	0.3
Information media and telecommunications	28	0.6	32	0.6
Financial and insurance services	22	0.8	23	0.7
Rental, hiring and real estate services ³	5	..	5	..
Professional, scientific and technical services	170	3.7	168	4.2
Administrative and support services	121	3.2	128	3.5
Public administration and safety	28	0.4	28	0.4
Education and training	1,426	45.5	1,433	50.5
Health care and social assistance	102	2.4	105	2.5
Arts and recreation services	301	11.9	292	12.1
Other services	848	25.0	804	25.5
Other ⁴	116	3.0	112	3.1
<i>Industry total⁵</i>	<i>3,499</i>	<i>102.5</i>	<i>3,434</i>	<i>108.7</i>
Non-taxable	0	0.0	0	0.0
Total⁵	3,499	102.5	3,434	108.7

1 The industry groups are classified based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 codes on the Australian Business Register.

2 Data for the 2010–11 and 2011–12 FBT years includes data from FBT returns processed up to 31 October 2011 and 31 October 2012 respectively.

3 '..' means rounded to zero, but not zero.

4 Includes mining and electricity, gas, water and waste services and other entities that did not state their industry.

5 Totals may differ from the sum of the components, due to rounding.

EMPLOYEE CONTRIBUTIONS

In some circumstances, an employee may make a payment to their employer as a contribution towards the cost of providing fringe benefits – these payments are referred to as ‘employee contributions’. Employee contributions generally reduce the taxable value of a fringe benefit by the amount of the contribution. Employee contributions are considered assessable income of the employer.

For the 2011–12 FBT year, employers had to report employee contributions for motor vehicles, expense payments, housing, airline transport, board, property, car parking and other benefits.

For taxable ‘other employers’ in the 2011–12 FBT year, employee contributions increased by 19.9%. The financial and insurance services industry had the highest percentage increase in employee contributions by employees of all taxable ‘other employers’, with a 132.1% increase.

TABLE 8.5: Employee contributions to employers, by employer type, taxable status and broad industry¹, 2010–11 and 2011–12 FBT years

Employer type	2010–11 ²		2011–12 ²	
	Employers	\$m	Employers	\$m
Australian Government departments	96	273	89	285
Other employers				
Taxable				
Agriculture, forestry and fishing	178	4	192	4
Mining	298	60	309	67
Manufacturing	1,660	108	1,620	98
Electricity, gas, water and waste services	130	19	131	20
Construction	913	22	924	29
Wholesale trade	1,618	50	1,597	70
Retail trade	1,140	35	1,129	42
Accommodation and food services	296	4	310	5
Transport, postal and warehousing	429	37	415	41
Information media and telecommunications	236	32	230	34
Financial and insurance services	885	53	898	123
Rental, hiring and real estate services	496	8	452	10
Professional, scientific and technical services	2,323	70	2,262	75
Administrative and support services	635	18	663	23
Public administration and safety	585	189	588	191
Education and training	586	45	585	49
Health care and social assistance	596	44	570	70
Arts and recreation services	155	6	159	8
Other services	508	11	506	18
Not stated	351	17	366	23
<i>Industry total</i> ³	14,018	834	13,906	1,000
Non-taxable	11,726	93	12,391	100
Total³	25,840	1,199	26,386	1,385

1 The industry groups are classified based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 codes on the Australian Business Register.

2 Data for the 2010–11 and 2011–12 FBT years includes data from FBT returns processed up to 31 October 2011 and 31 October 2012 respectively.

3 Totals may differ from the sum of the components, due to rounding.

Employee contributions towards car fringe benefits for which the taxable value was calculated using the statutory formula ('cars – statutory') have been the most popular type of contribution, representing 77.5% of the total \$1.0 billion of employee contributions to taxable 'other employers' in 2011–12.

TABLE 8.6: Employee contributions to employers, by employer type, taxable status and type of contribution, 2010–11 and 2011–12 FBT years

Employer type	2010–11 ¹		2011–12 ¹	
	Employers	\$m	Employers	\$m
Australian Government departments	96	273	89	285
Other employers				
Taxable				
Cars – statutory	10,865	674	10,830	775
Cars – operating cost	3,470	23	3,413	25
Expense payments	1,303	41	1,327	83
Housing	482	19	466	23
Airline transport	65	14	64	13
Board	23	2	28	2
Property	208	10	197	10
Other benefits	669	38	662	55
Car parking	427	12	433	13
Contribution total ^{2,3}	14,018	834	13,906	1,000
Non-taxable	11,726	93	12,391	100
Total³	25,840	1,199	26,386	1,385

1 Data for the 2010–11 and 2011–12 FBT years includes data from FBT returns processed up to 31 October 2011 and 31 October 2012 respectively. Data for 2010–11 revised.

2 Components do not add to the totals because employers may report more than one type of contribution.

3 Totals may differ from the sum of the components, due to rounding.

ESTIMATED STATUTORY CAR FRINGE BENEFITS

The number of car fringe benefits, for which the taxable value was calculated using the statutory formula, is provided in FBT returns. Due to data-quality issues associated with this label in the FBT return, this statistic should be considered an estimate only.

TABLE 8.7: Estimate of statutory car fringe benefit numbers, 2010–11 and 2011–12 FBT years

	2010–11	2011–12
Number of estimated benefits ¹	532,573	528,203

¹ Includes all FBT returns processed by 31 October 2011 and 31 October 2012 respectively.

SOURCE OF FBT STATISTICS

The statistics in this chapter are sourced from 2011 and 2012 FBT returns processed by 31 October 2011 and 31 October 2012 respectively. The statistics are not necessarily complete as not all returns are processed by 31 October each year.

The statistics in the detailed tables have all been updated for the 1997–98 to 2011–12 FBT years to include returns processed by 31 October 2012. We recommend you exercise caution when comparing the statistics for the current year and previous years.

A copy of the FBT return form is in the appendix – you can view or download it in PDF file format from the attached CD-ROM or from the online version of *Taxation statistics* on our website at ato.gov.au

FBT CHAPTER TABLES

The FBT chapter tables are on the attached CD-ROM and included in the online version of this publication on our website – you can view or download all the chapter tables in Excel.

LIST OF FBT DETAILED TABLES

The following FBT detailed tables are on the attached CD-ROM and included in the online version of this publication on our website – you can view or download all the detailed tables as PDF or Excel files.

The items referred to in the detailed tables are items declared on the 2012 FBT return.

Table 1: Amount of FBT payable, 1997–98 to 2011–12 FBT years

This table shows grades of FBT payable, by employer type and taxable status, for multiple FBT years.

Table 2: FBT by broad industry, 2011–12 FBT year

This table shows FBT payable, FBT rebates claimed and net FBT payable, by employer type, taxable status and broad industry groupings.

Table 3: Taxable value of benefits, by broad industry, 2011–12 FBT year

This table shows the number of FBT payers and the value of benefits, by employer type, taxable status, type of benefit and broad industry groupings.

Table 4: Employee contributions, by type of benefit and broad industry, 2011–12 FBT year

This table shows amounts of employee contributions received – classified by employer type, taxable status and broad industry groupings – for different types of benefits.

Table 5: ‘Cars – statutory’ employee contributions, 1997–98 to 2011–12 FBT years


This table shows grades of ‘cars – statutory’ employee contributions, by employer type and taxable status, for multiple FBT years.

Table 6: Selected items, 1997–98 to 2011–12 FBT years

This table shows selected items, by employer type and taxable status, for multiple FBT years.

Table 7: Fringe benefits, 1997–98 to 2011–12 FBT years

This table shows the number of FBT payers and the benefit value amounts, by employer type, taxable status and type of benefit, for multiple FBT years.

 In order to comply with privacy regulations, statistics for some items may not be included in these tables.