Completing your 2017 fringe benefits tax return

Instructions for completing your 2017 fringe benefits tax return including some examples.

Last updated 22 March 2017

You must lodge your 2017 fringe benefits tax (FBT) return:

- if you have a fringe benefits tax liability (otherwise known as an FBT taxable amount) for the year ending 31 March 2017
- by **22 May** 2017 – if a tax practitioner is preparing your annual FBT return, different lodgment arrangements may apply.

These instructions will help you complete the Fringe benefits tax (FBT) return 2017. They include information on:

- recent and proposed law changes
- how to correct a mistake on your FBT return
- how to complete items 1 to 13 – for all employers
- how to complete your FBT return if you are a taxable employer or are a not-for-profit employer
- how to complete the Fringe benefit categories section on your return
- record keeping requirements
- where to locate the calculation rates.

These instructions are not available in print or as a downloadable PDF document.

Next steps:

- download and print the FBT return 2017 (PDF, 233kB)

See also:

- Fringe benefits tax – return lodgment and payment – how to lodge your FBT return and pay FBT

Recent and proposed law changes

Correcting a mistake

Completing your 2017 FBT return – all employers

Public hospitals, non-profit hospitals and public ambulance services

Fringe benefit categories

Record keeping

Calculation rates

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Recent and proposed law changes

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FBT rate changes

The FBT rate has changed for the FBT year ending 31 March 2016 and for subsequent years.

FBT year	FBT rate of tax	Type 1 gross-up rate	Type 2 gross-up rate
Year ending 31 March 2016 and 31 March 2017	49%	2.1463	1.9608
Year ending 31 March 2018	47%	2.0802	1.8868

Not-for-profit capping threshold and FBT rebate rate changes

The not-for-profit capping threshold and FBT rebate rate has changed from the year ending 31 March 2016 and for subsequent years.

FBT year	Public Benevolent Institutions,	Public and non-profit hospitals	FBT Rebate

	Health Promotion Charities, Rebatable employers	and public ambulance services	rate
Year ending 31 March 2016 and 31 March 2017	$31,177	$17,667	49%
Year ending 31 March 2018	$30,000	$17,000	47%

Calculating the otherwise deductible rule

The four methods of car expense deduction have been reduced to two. You can only use the 'cents per kilometre' or 'logbook' methods to reduce the taxable value of a fringe benefit available under the otherwise deductible rule where the costs of operating your employee's own car are involved.

See also:

- Car expenses

Basic car rate – cents per kilometre basis

You now use a single rate per kilometre for all motor vehicles (regardless of the size of the engine).

You must use the basic car rate determined by the Commissioner of Taxation for the year ending 31 March 2017 where you reimburse an employee on a cents per kilometre basis for certain car expenses.

The FBT return for 2016 could be lodged using the 2014-15 car rates or the single 66 cent rate. However, for the 2017 FBT year onwards, employers must use the single rate that applies for the following income year, per the table below.

FBT year	Cents per kilometre rate

1 April 2016 – 31 March 2017	Rate for the income year 1 July 2016 - 30 June 2017: 66 cents
1 April 2017 - 31 March 2018	Rate for the income year 1 July 2017 - 30 June 2018: To be advised.

See also:

- Car expenses

Salary packaged meal entertainment and entertainment facility leasing benefits

There are changes to salary sacrificed meal entertainment and entertainment facility leasing expense benefits which took effect for the FBT year ending 31 March 2017.

All employers	Rebatable employers, public and non-profit hospitals, public ambulance services, public benevolent institutions and health promotion charities that are eligible for the FBT exemption only
• All salary packaged meal entertainment and entertainment facility leasing benefits are reportable and are included on an employee's payment summary where the reporting exclusion threshold is exceeded. • The 50-50 split method and 12 week register method cannot be used for valuing salary packaged meal entertainment or entertainment facility leasing benefits.	• A separate single grossed-up cap of $5,000 applies for salary packaged meal entertainment and entertainment facility leasing benefits. The amount of these benefits that exceed the grossed-up cap of $5,000 are included in calculating whether the value of all benefits an employee receives exceeds the relevant capping thresholds. • Meal entertainment and entertainment facility leasing benefits

• Meal entertainment and entertainment facility leasing benefits – Provided under a salary packaging arrangement will be disclosed at items 23E, 23K or 23M. – Not provided under a salary packaging arrangement will be disclosed at items 23E, 23K, 23M or 23P.	– Provided under a salary packaging arrangement will be disclosed at item 23L. – Not provided under a salary packaging arrangement will not be disclosed on the FBT return.

See also:

- Non-profit organisations and FBT
- Entertainment
- Tax-exempt body entertainment fringe benefits

Work-related items exemption

Small business employers that provide their employees with multiple portable electronic devices for the FBT year ending 31 March 2017 onwards are allowed an FBT exemption, even where the items have substantially identical functions.

If multiple portable electronic devices used primarily for work purposes are provided to an employee before 1 April 2016 and the devices have substantially identical functions an exemption is only available for one device.

See also:

- FBT for small business - Work-related portable electronic device exemption

Future change to small business entity threshold

The government has announced an increase to the aggregated turnover threshold for access to most small business tax concessions to $10 million. For FBT purposes, it is proposed that small business entities with an aggregated turnover of less than $10 million will be able to access the small business car parking exemption and extended work-related items exemption from 1 April 2017 (the FBT year ending 31 March 2018).

See also:

- Increase the small business entity turnover threshold

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Correcting a mistake

Last updated 22 March 2017

You can correct a mistake by striking it out in black pen. Write the new information as close as possible to the boxes for the label. Do not use correction fluid or tape– this causes problems with scanning, which can delay the processing of your return.

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Completing your 2017 FBT return – all employers

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Business details – items 1 to 13

Taxation law authorises the ATO to collect information and to disclose it to other government agencies. For more information see **privacy**.

1 Tax file number (TFN)

- Print your TFN in the boxes provided.
- Make sure your TFN matches your FBT registration, particularly if you operate through a trust.
- If you do not have a TFN, complete a **Tax file number application for companies and other organisations**.
- If you are a sole trader and do not have a TFN, complete a **Tax file number – application or enquiry for individuals**.

2 Australian business number (ABN)

Your ABN is a unique 11-digit number issued to your business because you have registered in the Australian Business Register (ABR). It helps identify you for tax purposes.

- If you are registered in the ABR, print your ABN in the box provided.
- Make sure the ABN you provide is associated with the TFN you quoted at item **1**.

3 Name of trustee or senior partner

If you are a trust or partnership, provide the name of your trustee or senior partner – otherwise, leave this item blank.

If the name of your trustee or senior partner has not changed, provide the details exactly as shown on the last FBT return you lodged. If the name of your trustee or senior partner has changed, provide the new details.

4 Name of employer

Provide your name. Only complete the individual or non-individual part, as applicable. If your name has not changed, provide the details exactly as shown on the last FBT return you lodged. If your name has changed, provide the new details.

5 – 7 Previous and current name and postal addresses

Follow the instructions on the FBT return 2017 for the following items:

- previous name
- current postal address
- postal address on previous return
- current business/trading name.

8 Previous name of trustee or senior partner

If you are a trust or partnership and your details have changed, provide the previous name of the trustee or senior partner of your organisation exactly as shown on the last FBT return you lodged – otherwise, leave this item blank.

9 Name of the person to contact

Provide the name, daytime phone number, and email address of a person we can contact, if necessary, about the information in your return.

10 Number of employees receiving fringe benefits during the period 1 April 2016 to 31 March 2017

Write the total number of your employees and their associates who received fringe benefits during the period 1 April 2016 to 31 March 2017. The total must include any current, former or future employees, or their associates, who received fringe benefits during the FBT year.

11 Hours taken to prepare and complete this form

We are committed to reducing your costs in meeting your tax obligations. Your response to this question is voluntary, but your answers will help us monitor these costs. When completing this question, consider the time (rounded up to the nearest hour) you spent:

- reading the instructions
- collecting the information necessary to complete this return
- making any necessary calculations
- completing this return and putting your business tax affairs in order so you could give the information to your tax agent.

Do not include the time your tax agent took to prepare and complete this return.

12 Do you expect to lodge FBT return forms for future years?

Tell us if you plan to continue lodging FBT returns. If you have provided taxable fringe benefits after 31 March 2017, they fall into the 2018 FBT year and you may need to lodge a 2018 FBT return.

We will cancel your FBT registration and any future instalments if you answer ‘no’ to this question.

If you don't complete this item, it may result in processing problems.

13 Electronic funds transfer (EFT)

Direct refund

We need your financial institution details to pay any refund owing to you, even if you have provided them to us before. Complete the following:

- Bank state branch (BSB) number. This six-digit number identifies the financial institution (do not include spaces or hyphens).
- Account number. This should not have more than nine characters (do not include spaces).
- Account name. In most cases, your account name should be shown on your bank account records. It should include spaces between each word and between initials. If your account name exceeds 32 characters, provide the first 32 characters only.

Return calculation details – item 14

14 Calculated fringe benefits taxable amounts

Before you can calculate the taxable value of any benefit, you must identify the category the benefit falls into.

We describe each category in **Fringe benefits tax – a guide for employers**.

GST affects how you work out your FBT liability.

Tax is payable on the fringe benefits taxable amount. To work out the fringe benefits taxable amount you must determine your type 1 and type 2 aggregate fringe benefits amounts.

About aggregate amounts

Type 1 aggregate amount

The type 1 aggregate amount is the total of all Type 1 fringe benefits. These are benefits where you (or a member of the same GST group) are entitled to a GST credit for GST paid on the benefits provided to an employee.

The rate you use for your calculation is higher than the rate for calculating the type 2 aggregate amount because it recovers the GST credit you are entitled to.

Goods and Services Taxation Ruling GSTR 2001/3 *Goods and Services Tax: GST and how it applies to supplies of fringe benefits* explains which benefits you are entitled to a credit for.

Example 1: Type 1 fringe benefit

You provide an employee with a television costing $660, including GST. If you are registered for GST, you can claim the GST credits. This is a type 1 fringe benefit that you calculate at the higher rate.

Type 2 aggregate amount

The type 2 aggregate amount is the total of all type 2 fringe benefits. These are benefits that you (or a member of the same GST group) cannot claim GST credits for because:

- you (or they) are not entitled to – for example, you are not registered for GST
- there are no GST credits available because the benefit is **either** of the following
  - GST-free (for example, school fees)
  - input taxed (for example, residential accommodation).

The rate you use for your calculations is lower than the rate for calculating the type 1 aggregate amount because you are not entitled to a GST credit.

Example 2: Type 2 fringe benefit

You reimburse an employee $700 for their child's school fees. The supply of school fees are GST-free – you can't claim a GST credit. This is a type 2 fringe benefit included in your type 2 aggregate amount.

FBT concessions for certain employers

Concessional FBT treatment is available for certain benefits provided by the following types of employers:

- a rebatable employer
- an eligible public benevolent institution or health promotion charity
- a public hospital, non-profit hospital (a hospital carried on by a society or association that is a rebatable employer) or public ambulance service
- a not-for-profit organisation operating partly as an eligible public benevolent institution employer.

These types of employers may be exempt from FBT up to a capping threshold or entitled to a rebate subject to a capping threshold.

See also:

- Non-profit organisations and FBT

If you are covered under one of the above category types for the year ending 31 March 2017, see the specific instructions relevant to you to help you complete your FBT return 2017.

If you are not covered under one of the above category types for the year ending on 31 March 2017, see Taxable employers for instructions to help you complete your FBT return 2017.

Completing your FBT return 2017 calculation details – taxable employers

Return calculation details – items 14A to 23

14A Type 1 aggregate amount

To calculate your type 1 aggregate amount:

- Step1: Work out the total taxable value of all the fringe benefits you provide for which you can claim a GST credit.

If not already included, add any excluded fringe benefits that are GST creditable to the total amount. Excluded benefits are those benefits that you provide that are not included on your employees' payment summaries.

- Step 2: Multiply the result from step 1 by the higher gross-up rate of **2.1463**.

Grossing up means increasing the taxable value of benefits you provide to reflect the gross salary employees would have to earn at the highest marginal tax rate (including Medicare levy) to buy the benefits after paying tax.

Example 3: Type 1 aggregate amount

You provide the following benefits to your employees:

• Motor car for their private use. These are – car fringe benefits calculated using the statutory formula method (as you did not	$10,000

elect to use the operating cost method).

– GST taxable supplies with entitlements to GST input tax credits.

• Reimbursement of restaurant meals not provided under a salary packaged arrangement. You elected to classify these expense payment fringe benefits as meal entertainment fringe benefits. These are – GST taxable supplies with entitlements to GST credits – excluded benefits as they are not reported on your employees payment summaries.	$1,000
Step 1	
Total taxable value of Type 1 fringe benefits amount	$10,000
Total taxable value of Type 1 excluded fringe benefits amount	$1,000
	= $11,000
Step 2 Type 1 aggregate amount = $11,000 × 2.1463	
= $23,609.30	

14B Type 2 aggregate amount

To calculate your type 2 aggregate amount:

- Step 1: Work out total taxable value of all those benefits for which you can't claim a GST credit.

- If not already included, add any excluded fringe benefits for which you can't claim a GST credit.

- Step 2: Multiply the result from step 1 by the lower gross-up rate of **1.9608**.

Example 4: Type 2 aggregate amount

You provide the following benefits to your employees:

• Reimbursement of school fees. These are expense payment fringe benefits and are GST-free supplies with no GST input tax credit entitlement.	$6,000
• Remote area rent reimbursements. These are expense payment fringe benefits and are input taxed with no GST input tax credit entitlement. These are also excluded benefits as they are not reported on your employees' payment summaries.	$3,000
Step 1	
Total taxable value of Type 2 fringe benefits amount	$6,000
Total taxable value of Type 2 excluded fringe benefits amount	$3,000
Step 2 Type 2 aggregate amount = $9,000 × 1.9608	= $9,000
= $17,647.20	

14C Aggregate non-exempt amount

You must leave item **14C** blank as this item only applies to public and non-profit hospitals, public ambulance services, and eligible public benevolent institutions and health promotion charities. These employers should refer to Completing your FBT return 2017 - not-for-profit employers.

15 Fringe benefits taxable amount

Add the amounts at items **14A** and **14B** and write the total at item **15**, even if the amount is nil.

You must complete this item because it (and item **16**) forms the basis of self-assessing any FBT liability.

16 Amount of tax payable

Multiply the amount you wrote at item **15** by 49% (the FBT rate for the year ending 31 March 2017) and write the total amount of tax payable at item **16**, even if the amount is nil.

You must complete this item because it (and item **15**) forms the basis of self-assessing any FBT liability.

17 Aggregate non-rebatable amount

As you are not a rebatable employer, you must leave item **17** blank.

Rebatable employers should refer to Completing your FBT return 2017 - not-for-profit employers.

18 Amount of rebate

As you are not a rebatable employer, you must leave item **18** blank.

Rebatable employers should refer to Completing your FBT return 2017 - not-for-profit employers.

19 Sub-total

As you are not a rebatable employer, write the amount you wrote at item **16**.

Rebatable employers should refer to Completing your FBT return 2017 - not-for-profit employers.

Illustration 1: Items 14-19 of a taxable employer return

These figures are from examples 3 and 4.

Items 14-19 of a taxable employer return

Make sure you provide the sub-total at item **19** and not at items **17** or **18**.

20 Less instalment amounts reported on activity statements

Add together the FBT instalment amounts you reported on your four activity statements for the 2017 FBT year, and show the total amount at item **20**. We will credit this amount against your 2017 FBT liability. Do not include any amount you paid for:

- penalties
- any other year's liability.

If you pay your FBT by instalments, you must lodge all of your activity statements for the FBT year ending 31 March 2017, including the March 2017 quarter, before lodging your FBT return – we can then update your FBT account. If all activity statements are not lodged before lodging your FBT return, your return will not be actioned until all instalments are paid. If you do not pay your FBT by instalments, leave this item blank.

Example 5: Amounts reported on activity statements

Your FBT instalment amounts for the year starting on 1 April 2016 were:

Quarter ending 30 June 2016	$4,000
Quarter ending 30 September 2016	$4,000
Quarter ending 31 December 2016	$4,000

Quarter ending 31 March 2017	$4,000
Total instalments for the FBT year 1 April 2016 - 31 March 2017	$16,000

You would write ‘$16,000’ at item **20**.

21 Payment due

If the amount at item **20** is:

- **more** than the amount at item **19**, go to item **22**
- **less** than the amount at item **19**, write at item **21** the exact difference between the amounts.

The amount at item **21** is the difference between the following:

- the amount you have paid throughout 2017
- the amount you must pay by 22 May 2017 (unless you have made other arrangements with us).

You may round down this amount to the nearest multiple of five cents.

See also:

- How to pay

22 Credit due to you

If the amount at item **20** is more than the amount at item **19**, write at item **22** the difference between the amounts. We will credit this amount to you. However, if you owe us money for other taxes, we may reduce the amount of the credit you show at item **22**.

23 Details of fringe benefits provided

The rules for calculating the taxable value of a fringe benefit vary according to the type of benefits provided.

You must identify the type of benefits provided before you

- work out the taxable value of any benefit
- complete the 'Taxable value of benefits' column.

We describe each type of benefit in **Fringe benefits tax – a guide for employers.**

Do not include any aggregate amounts at this item.

Number

Write the number of cars, loans or houses (or other units of accommodation) you use to provide car, loan or housing fringe benefits at items:

A	Cars using the statutory formula
B	Cars using the operating cost method
C	Loans granted
F	Housing – units of accommodation provided

Write at item **G**, the number of employees who received a living-away-from-home allowance.

Gross taxable value (a)

Write in this column the sum of the taxable values of fringe benefits for that particular benefit category before any reductions (for example, employee contributions).

If there are no employee contributions or reductions, include this figure also in the 'Taxable value of benefits (a) – (b) – (c)' column.

Employee contribution (b)

An employee contribution is a payment you receive from your employee to reduce the cost of the fringe benefit you provide.

For example, employee contributions include amounts an employee pays to you for using a car and/or for car operating costs such as fuel.

Employee contributions you receive are generally assessable for income tax purposes and must be included in your income tax return. If you lodge a company, trust or partnership return, you must also show the amount of employee contributions you received on that return. If you are an income tax exempt employer you do not need to lodge an income tax return just because you receive employee contributions.

Write in this column the sum of all employee contributions made for that particular benefit category.

If you write an amount in this column, the employee must make the contribution before you lodge this return.

Special arrangements apply where the contribution is made by a journal entry in your accounts. For more information on contributions by journal entry, see Miscellaneous Taxation Ruling MT 2050 *Fringe benefits tax: payment of recipients contribution by journal entry*.

Excess employee contributions

You cannot use any excess employee contribution for one benefit to reduce the taxable value of other benefits you provided to that employee or other employees.

Any excess contribution can either be refunded to the employee or dealt with as agreed between the employer and employee including being deferred to the following FBT year against the same fringe benefit.

Employee contributions and GST

Employee contributions (other than a contribution of services as an employee) are consideration for a taxable supply and you must pay GST on the supply. The GST-inclusive employee contribution reduces the taxable value of the fringe benefit.

GST does not form part of an employee's contribution where the:

- benefit is either GST-free or input taxed
- GST was paid to a third party – for example, for fuel
- benefit provider is not registered or required to be registered for GST
- benefit is not a taxable supply.

For more information on how GST applies to employee contributions, see Goods and Services Taxation Ruling GSTR 2001/3 *Goods and Services Tax: GST and how it applies to supplies of fringe benefits*.

Value of reductions (c)

This is the total amount where benefits of that category have been reduced:

- under the 'otherwise deductible' rule
- by other means – for example, in relation to in-house fringe benefits.

The 'otherwise deductible' rule only applies if **both** of the following apply:

- the recipients of the benefits are current employees
- you obtain from employees prior to the day your FBT return 2017 is due or by 21 May 2017 any necessary supporting documents, such as
  - declarations
  - receipts
  - invoices.

You should obtain these before you lodge your return – however, you may lodge your return before obtaining the receipts or invoices if you have good reason to expect them within a reasonable time.

Taxable value of benefits (a) – (b) – (c)

This is the sum of the taxable values of fringe benefits of that particular benefit category, after taking into account any employee contributions and/or other reductions for each fringe benefit. If the employee contributions or reductions are greater than the benefit you provided, show zero on the FBT return, not a negative amount.

When completing this column, make sure you also complete the 'Gross taxable value (a)' column – see [Fringe benefit categories](#).

Illustration 2: Items 20-23

These figures are from examples 3, 4 and 5. Your subtotal is $20,215.44.

Items 20-23

Declarations – items 24 and 25

24 Registered tax agent’s declaration

Registered tax agents are required to sign the declaration at item **24**.

25 Employer’s declaration

You must complete this item if you lodge your FBT return 2017 on your own behalf.

Public officer or authorised officer declaration

The public officer is responsible for doing all things required by the company. In the case of default, the public officer is liable to the same penalties.

A public officer or authorised officer must sign and date for companies.

Partnership

For a partnership, one of the partners must sign and date the declaration.

Trust

For a trust, the trustee or public officer must sign and date the declaration.

Government bodies

For government bodies, the delegated officer must sign and date the declaration.

Completing your FBT return 2017 – not-for-profit employers

Public benevolent institutions and health promotion charities

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Completing your FBT return 2017 – not-for-profit employers

Last updated 22 March 2017

Rebatable employers

Rebatable employers are certain non-government, not-for-profit organisations.

Those that qualify for an FBT rebate are:

- registered charities (other than public benevolent institutions or health promotion charities) who are an institution; who are not established under a government law and who are endorsed by us as a tax concession charity
- certain scientific or public educational institutions
- certain trade unions and employer associations located in Australia that are exempt from income tax
- not-for-profit tax exempt organisations established for
  - musical purposes
  - community service purposes
- not-for-profit tax exempt organisations established for the encouragement of
  - science
  - animal racing
  - art
  - a game or sport
  - literature
  - music

- not-for-profit tax exempt organisations established for the purpose of promoting the development of
  - aviation or tourism
  - Australian information and communications technology resources
  - Australia's agricultural, pastoral, horticultural, viticultural, aquacultural, fishing, manufacturing or industrial resources.

From 3 December 2012, charities must be registered with the ACNC and endorsed by us to access this concession.

Charities that were endorsed by us as income tax exempt charities before 3 December 2012 are automatically registered with the ACNC – they don't need to re-register.

Charities that were **not** endorsed by us as income tax exempt charities before 3 December 2012 must register as a charity with the ACNC and then be endorsed by us to access charity tax concessions, including the FBT rebate for registered charities.

See also:

- ato.gov.au/Non-profit

14 to 16

Complete these items in the same way as a taxable employer would – see [Taxable employers].

17 Aggregate non-rebatable amount

Write at item **17** your aggregate non-rebatable amount.

Your aggregate non-rebatable amount is the total grossed-up taxable value of the fringe benefits you provide to an individual employee that exceeds $31,177.

You are entitled to a rebate of 49% of your FBT payable on the grossed-up taxable value of benefits you provide to each employee that does not exceed $31,177.

The FBT rebate cannot be applied to your aggregate non-rebatable amount.

For the year ending 31 March 2017, the provision of salary packaged meal entertainment and entertainment facility leasing benefits form part of your aggregate non-rebatable amount where the grossed-up taxable value of such benefits exceeds $5,000.

The following steps will assist you in calculating your aggregate non-rebatable amount.

Step	Action
1	Establish the employee's individual fringe benefits amount. The individual fringe benefits amount is the value of all benefits other than excluded benefits. For a list of excluded benefits, see **chapter 5.2** of FBT: A guide for employers.
2	Identify the amount of GST-creditable fringe benefits included in the amount for step 1. The result from this step is 'amount 1'.
3	Identify those fringe benefits not taken into account in the calculation for step 2 (that is, the result for step 1 minus the result for step 2). The result from this step is 'amount 2'.
4	Determine the employee's share of the benefits that would be excluded fringe benefits. For a list of excluded benefits, see **chapter 5.2** of FBT: A guide for employers. The following excluded fringe benefits are specifically not included in this calculation are : • meal entertainment benefits not provided under a salary packaged arrangement • car parking fringe benefits • entertainment facility leasing benefits not provided under a salary packaged arrangement.
5	Identify the GST-creditable fringe benefits included in step 4.

	The result from this step is 'amount 3'.
6	Identify those excluded fringe benefits that are not taken into account under step 5 (that is, the result for step 4 minus the result for step 5). The result from this step is 'amount 4'.
7	Add amount 1 and amount 3 (that is, the result from step 2 plus the result from step 5). This is the type 1 individual base non-rebatable amount.
8	Multiply the result from step 7 by 2.1463 (the type 1 gross-up rate). This is the individual grossed-up type 1 non-rebatable amount
9	Add amount 2 and amount 4 (that is, the result from step 3 plus the result from step 6). This is the type 2 individual base non-rebatable amount.
10	Multiply the result from step 9 by 1.9608 (the type 2 gross-up rate). This is the individual grossed-up type 2 non-rebatable amount
11	For each employee add: • the individual grossed-up type 1 non-rebatable amount for the year ending 31 March 2017 (that is, the result from step 8) • the individual grossed-up type 2 non-rebatable amount for the year ending 31 March 2017 (that is, the result from step 10). The result is the individual grossed-up non-rebatable amount for the employee.
12	Subtract $31,177 from the individual grossed-up non-rebatable amount for each employee (that is, the result from step 11 minus the FBT rebate cap). If the individual grossed-up non-rebatable amount for an employee is equal to or less than $31,177, the amount calculated under this step is nil.

If you have not provided meal entertainment or entertainment facility leasing expense benefits under a salary packaging arrangement for the year ending on 31 March 2017:

- Step 13: Add together the amounts calculated at step 12 for each employee. This is your aggregate non-rebatable amount.
- Step 14: Multiply the total amount calculated under step 13 by 49% (the FBT tax rate). Write this amount at item **17**.

If you have provided meal entertainment or entertainment facility leasing expense benefits under a salary packaging arrangement for the year ending on 31 March 2017, continue with the steps in the below table.

Step	Action
13	Determine how much of the employee's individual fringe benefits amount relates to salary packaged meal entertainment and entertainment facility leasing expense benefits.
14	Determine how much of the employee's individual fringe benefits amount relates to GST creditable salary packaged meal entertainment and entertainment facility leasing expense benefits. Multiply the result by 2.1463 (the type 1 gross-up amount).
15	Determine how much of the individual grossed-up non-rebatable amount relates to non-GST creditable salary packaged meal entertainment and entertainment facility leasing expense benefits (that is, the result for step 13 minus the result for step 14). Multiple the result by 1.9608 (the type 2 gross-up amount).
16	Add the amounts calculated at steps 14 and 15. This is the individual grossed-up salary packaged meal entertainment and entertainment facility leasing expense benefits.
17	Subtract from the amount calculated at Step 12 by the lesser of: • $5,000 and

	the amount calculated at step 16.
18	Add together the amounts calculated at step 17 for each employee. Multiply the result by 49% (the FBT rate). Write this amount at item **17**. This is your aggregate non-rebatable amount.

18 Amount of rebate

Show at item **18** the amount of rebate you are entitled to. If you complete item **18**, you must also complete item **17**, even if the amount is nil. Use the following formula to calculate the rebate amount:

$$49\% \times \textbf{(item 16 – item 17)} \times \frac{\text{rebatable days in year}}{\text{total days in year}}$$

Gross tax is the amount at item **16** – that is, the total amount of tax calculated on the fringe benefits taxable amount.

The aggregate non-rebatable amount is the part of the taxable value of fringe benefits you cannot obtain a rebate for, calculated at item **17**.

Rebatable days in the year are the number of days during the year ending on 31 March 2017 that you qualified as a rebatable employer.

The total days in the year means the number of days you were an employer.

Write at item **18** the amount of rebate you are entitled to.

19 Sub-total

Subtract from item **16** the amount (if any) at item **18**. Write this amount at item **19** even if the amount is nil**.**

You must complete this item because it forms the basis of self-assessing any FBT liability.

20 to 25

Complete these items in the same way as a taxable employer would – see Taxable employers.

Example 6: Rebatable employer return

You provide the following benefits for the year ending 31 March 2017 to your employees:

- pay Mark, Sam and eight other employees' children's school fees (an expense payment fringe benefit)
- provide Mark and Sam with cars for private use (a car fringe benefit)
- allow Mark and Sam to purchase restaurant meals on a credit card that is paid by the employer at the end of the month, under a salary packaging arrangement

The car fringe benefits are type 1 benefits because they are GST taxable supplies with an entitlement to a GST credit.

Mark's car fringe benefit calculated using the statutory formula method (GST taxable supply with an entitlement to a GST credit)	$14,000
Sam's car fringe benefit calculated using the statutory formula method (GST taxable supply with an entitlement to a GST credit)	$15,000
Type 1 aggregate amount	$29,000
= $29,000 × 2.1463	
= $62,242	

The school fees are type 2 benefits because they are GST-free supplies with no GST credit entitlement.

10 x expense payment fringe benefits: school fees	10 x $6,000
Type 2 aggregate amount	$60,000
= $60,000 × 1.9608	
= $117,648.00	

The use of the meal card is a type 2 benefit because it is an input taxed financial supply with no GST credit entitlement.

Mark's meal entertainment fringe benefit: credit card Sam's meal entertainment fringe benefit: credit card	$5,500 $2,295
Type 2 aggregate amount	$7,795
= $7,795 × 1.9608	
= $15,284.44 The type 2 aggregate amount is therefore 117,648 + 15,284 = $132,932.	

You have:

- a fringe benefits taxable amount of $195,174 ($62,242 + $117,648 + $15,284)
- gross tax of $95,635.26 ($195,174 × 49%).

Sam and Mark have an individual grossed-up non-rebatable amount greater than $31,177. Mark has an amount of $52,597.40, and Sam has an amount of $43,959.30. Sam's amount does not include the salary packaged entertainment as the value does not exceed the separate grossed-up cap ($2,295 × 1.9608 = $4,500).

The calculation of the aggregate non-rebatable amount is as follows:

([$52,597.40 – $31,177- $5,000] + [$43,959.30 – $31,177]) x 49%

= $14,309.32

The calculation of the rebate amount is as follows:

49% x ($95,635.26 – $14,309.32)

= $39,849.71

Items 20 to 25

QC 51524

Public benevolent institutions and health promotion charities

Last updated 22 March 2017

On this page

A public benevolent institution is a charity whose main purpose is to relieve poverty, sickness, suffering or disability.

A health promotion charity is a charitable institution whose principal activity is to promote the prevention or the control of diseases in human beings.

If your organisation is a public benevolent institution or health promotion charity, the organisation must be endorsed by us to access the FBT exemption. From 3 December 2012, your organisation must also be registered with the ACNC as a charity. A condition of our endorsement is that public benevolent institutions and health promotion charities must be registered with the Australian Charities and Not-for-profits Commission as a public benevolent or health promotion charity.

Organisations that were endorsed by us to access the FBT exemption for public benevolent institutions or health promotion charities immediately before 3 December 2012 are automatically registered with the ACNC – they don't need to re-register.

For more about eligibility for this concession, including endorsement, phone us on **1300 130 248**.

For more information about endorsement and registering, go to ato.gov.au/Non-profit.

14 Calculated fringe benefits taxable amounts

You must complete only item **14C** (and not items **14A** and **14B)**.

14C Aggregate non-exempt amount

Write at item **14C** your aggregate non-exempt amount.

Your aggregate non-exempt amount is the grossed-up taxable value of fringe benefits you provide to an individual employee that exceeds $31,177. You only pay FBT on your aggregate non-exempt amount.

For the year ending 31 March 2017, the provision of salary packaged meal entertainment and entertainment facility leasing benefits form part of your aggregate non-exempt amount where the grossed-up taxable value of such benefits exceeds $5,000.

The following steps will assist you in calculating your aggregate non-exempt amount.

Step	Action
1	Establish what the employee's individual fringe benefits amount would be if the capping concession was not available. The individual fringe benefits amount is the value of all benefits other than excluded benefits. For a list of excluded benefits, visit ato.gov.au and search for 'excluded fringe benefits'.

2	Identify the amount of GST-creditable fringe benefits included in the amount for step 1. The result from this step is 'amount 1'.
3	Identify those fringe benefits not taken into account in the calculation for step 2 (that is, the result for step 1 minus the result for step 2). The result from this step is 'amount 2'.
4	Determine the employee’s share of the benefits that would be excluded fringe benefits. For a list of excluded benefits, visit ato.gov.au and search for 'excluded fringe benefits'. The following excluded fringe benefits specifically not included in this calculation are : • meal entertainment benefits not provided under a salary packaged arrangement • car parking fringe benefits • entertainment facility leasing benefits not provided under a salary packaged arrangement.
5	Identify the GST-creditable fringe benefits included in step 4. The result from this step is 'amount 3'.
6	Identify those excluded fringe benefits that are not taken into account under step 5 (that is, the result for step 4 minus the result for step 5). The result from this step is 'amount 4'.
7	Add amount 1 and amount 3 (that is, the result from step 2 plus the result from step 5).
8	Multiply the result from step 7 by 2.1463 (the type 1 gross-up rate). This is the individual grossed-up type 1 non-exempt amount. Do not write this amount at item **14A**.
9	Add amount 2 and amount 4 (that is, the result from step 3 plus the result from step 6).

	This is the type 2 individual base non-exempt amount. Do not write this amount at item **14B**.
10	Multiply the result from step 9 by 1.9608 (the type 2 grossed-up rate). This is the individual grossed-up type 2 non-exempt amount.
11	For each employee add: • the individual grossed-up type 1 non-exempt amount for the year ending 31 March 2017 (that is, the result from step 8) • the individual grossed-up type 2 non-exempt amount for the year ending 31 March 2017 (that is, the result from step 10). The result is the individual grossed-up non-exempt amount for the employee.
12	Subtract $31,177 from the individual grossed-up non-exempt amount for each employee (that is, the result from step 11 minus the capping threshold for registered public benevolent institutions and health promotion charities). If the individual grossed-up non-exempt amount for an employee is equal to or less than $31,177, the amount calculated under this step is nil.

If you have not provided meal entertainment or entertainment facility leasing benefits under a salary packaging arrangement for the year ending 31 March 2017:

- Step 13: Add together the amounts calculated at step 12 for each employee. This is your aggregate non-exempt amount.
- Step 14: Multiply the total amount calculated under step 13 by 49% (the tax rate). Write this amount at item **17**.

If you have provided meal entertainment or entertainment facility leasing benefits under a salary packaging arrangement for the year ending 31 March 2017, continue with the steps in the below table.

Step	Action

13	Determine how much of the employee's individual fringe benefits amount relates to salary packaged meal entertainment and entertainment facility leasing benefits.
14	Determine how much of the employee's individual fringe benefits amount relates to GST creditable salary packaged meal entertainment and entertainment facility leasing benefits. Multiply the result by 2.1463 (the type 1 gross-up amount).
15	Determine how much of the individual grossed-up non-exempt amount relates to non-GST creditable salary packaged meal entertainment and entertainment facility leasing benefits (that is, the result for step 13 minus the result for step 14). Multiple the result by 1.9608 (the type 2 gross-up amount).
16	Add the amounts calculated at steps 14 and 15. This is the individual grossed-up salary packaged meal entertainment and entertainment facility leasing benefits.
17	Subtract from the amount calculated at step 12 by the lesser of: • $5,000 and • the amount calculated at step 16.
18	Add together the amounts calculated at step 17 for each employee. Multiply the result by 49% (the FBT tax rate). Write this amount at item **17**. This is your aggregate non-exempt amount.

Example 7: Aggregate non-exempt amount for a public benevolent institution

You are a public benevolent institution that is registered for GST and provide your employees with the following fringe benefits:

- car fringe benefits to Louise and Wendy valued at $2,000 and $25,000 respectively (type 1 benefits as you are entitled to input tax credits for the provision of these benefits)
- entertainment facility leasing benefits to Louise under a salary package arrangement to enable her to hire a room for $5,000 at Fantasy Wedding receptions (type 2 benefit as you are not entitled to an input tax credit for the provision of this benefit)
- entertainment facility leasing benefits to Wendy by reimbursing her $15,000 for the amount of rent she paid on hiring a houseboat on her holiday (type 2 benefit as you are not entitled to an input tax credit for the provision of this benefit).

Louise's grossed-up type 1 amount is

- car fringe benefit = $4,292.60 ($2,000 × 2.1463)

Louise's grossed-up type 2 amount is:

- salary packaged entertainment facility leasing benefit = $9,804 ($5,000 × 1.9608).

As the separate cap for salary packaged meal entertainment and entertainment facility leasing benefits has been exceeded (the grossed-up salary packaged meal entertainment and entertainment facility leasing benefits is $9,804), this amount is included in determining whether the capping threshold has been exceeded for benefits you provided to Louise. The aggregate exempt amount for Louise is:

= $9,096.60 ($4,292.60 + $9,804 - $5,000), which is less than the cap of $31,177.

Louise does not have a grossed-up non-exempt amount. You are not liable for FBT on the benefits you provide to Louise.

Wendy's grossed-up type 1 amount is:

car fringe benefit = $53,657.50 ($25,000 × 2.1463)

As the reimbursement of rent for the houseboat is not provided under a salary packaged arrangement it is not included in determining Wendy's individual grossed-up non-exempt amount. The capping threshold for Wendy has been exceeded and your aggregate non-exempt amount would be:

$53,657.50 - $31,177 = $22,480.50.

You would write your aggregate non-exempt amount at item **14C** on your return as:

Item 14C

15 Fringe benefits taxable amount

Write the amount you wrote at item **14C** even if the amount is nil.

You must complete this item because it forms the basis of self-assessing any FBT liability.

16 Amount of tax payable

Multiply the amount you wrote at item **15** by 49% (the tax rate for the year ending 31 March 2017) and write the total at item **16** even if the amount is nil. This is the total FBT amount you are liable to pay.

You must complete this item because it forms the basis of self-assessing any FBT liability.

17 Aggregate non-rebatable amount

You must leave item **17** blank.

18 Amount of rebate

You must leave item **18** blank.

19 Sub-total

Write the amount you wrote at item **16** even if the amount is nil.

You must complete this item because it forms the basis of self-assessing any FBT liability.

20 to 25

Complete these items in the same way as a taxable employer would – see Taxable employers.

However, at item **23**, you must include the taxable value of benefits provided (not the aggregate non-exempt amount) if you are any of the following:

- an eligible public benevolent institution
- an eligible health promotion charity
- public hospital
- non-profit hospital
- public ambulance service.

The information you include in the 'Taxable value of benefits' column is based on the total of the individual base non-exempt amounts for all employees calculated at steps 3 and 5 of item **14C** in the table above.

The figures you place in the 'Taxable value of benefits' column must be the amounts before they are grossed-up and before the $31,177 capping amounts are deducted

Illustration 3: Public benevolent institution FBT return 2017

These figures are from examples 5 and 7.

Illustration 3: Public benevolent institution FBT return 2017

QC 51524

Public hospitals, non-profit hospitals and public ambulance services

Last updated 22 March 2017

On this page

Public hospitals, non-profit hospitals and public ambulance services (that are not charities) are not required to be endorsed by us to access the FBT exemption.

For more information about self-assessing your entitlement to the FBT exemption, go to **ato.gov.au/Non-profit**.

The capping threshold for public hospitals, non-profit hospitals and public ambulance services is different to that for eligible public benevolent institutions or health promotion charities.

14 Calculated fringe benefits taxable amounts

You must complete only item **14C** (and not items **14A** and **14B)**.

14C Aggregate non-exempt amount

Write at item **14C** your aggregate non-exempt amount. Your aggregate non-exempt amount is the total gross value of fringe benefits you provide to an individual employee that exceeds $17,667.

You only pay FBT on your aggregate non-exempt amount.

For the year ending 31 March 2017, the provision of salary packaged meal entertainment and entertainment facility leasing benefits form part of your aggregate non-exempt amount where the grossed-up taxable value of such benefits exceeds $5,000.

Your aggregate non-exempt amount is calculated using the same steps as a public benevolent institution or a health promotion charity (see Public benevolent institutions and health promotion charities), except for step 12 which is calculated as follows:

Step	Action
12	Subtract $17,667 from the individual grossed-up non-exempt amount for each employee. If the individual grossed-up non-exempt amount is less than or equal to $17,667, the amount calculated under this step is nil.

15 to 25

Complete these items in the same way as an eligible public benevolent institution and health promotion charity would – see Public benevolent institutions and health promotion charities.

Illustration 4: Public hospital FBT return 2017

You are a public hospital that is registered for GST and provide your employees with the following fringe benefits:

- car fringe benefits to Louise and Wendy valued at $2,000 and $25,000 respectively (type 1 benefits as you are entitled to input tax credits for the provision of these benefits)
- entertainment facility leasing benefits to Louise under a salary packaged arrangement to enable her to hire a room for $5,000 at Fantasy Wedding receptions (type 2 benefit as you are not entitled to an input tax credit for the provision of this benefit)
- entertainment facility leasing benefits to Wendy by reimbursing her $15,000 for the amount of rent she paid on hiring a houseboat on her holiday (type 2 benefit as you are not entitled to an input tax credit for the provision of this benefit).

Louise's grossed-up type 1 amount is:

car fringe benefit = $4,292.60 ($2,000 × 2.1463)

Louise's grossed-up type 2 amount is:

salary packaged entertainment facility leasing benefit = $9,804 ($5,000 × 1.9608).

As the separate cap for salary packaged meal entertainment and entertainment facility leasing benefits has been exceeded (the grossed-up salary packaged benefit is $9,804), this amount is included in determining whether the capping threshold has been exceeded for benefits you provided to Louise. The aggregate exempt amount for Louise is:

= $9,096.60 ($4,292.60 + $9,804 - $5,000) which is less than the cap of $17,667.

Louise does not have a grossed-up non-exempt amount. You are not liable for FBT on the benefits you provide to Louise.

Wendy's grossed-up type 1 amount is:

car fringe benefit = $53,657.50 ($25,000 × 2.1463)

As the reimbursement of rent for the houseboat is not provided under a salary packaged arrangement it is not included in determining Wendy's individual grossed-up non-exempt amount. The capping threshold for Wendy has been exceeded and your aggregate non-exempt amount would be:

$53,657.50 - $17,667 = $35,990.50.

Illustration 4: Public hospital FBT return 2017

Not-for-profit organisation operating partly as an eligible public benevolent institution employer

QC 51524

Not-for-profit organisation operating partly as an eligible public benevolent institution employer

Last updated 22 March 2017

On this page

If part of your organisation is endorsed by us to access the FBT exemption and the rest of the organisation is a rebatable employer, you must lodge FBT returns as follows:

- If the total grossed-up value of certain benefits provided to the employees of the public benevolent institution employer are less than the $31,177 capping threshold, then you lodge your FBT return in the same way that a rebatable employer would.
- If the total grossed-up value of certain benefits provided to employees of the public benevolent institution employer exceed the $31,177 capping threshold, you must pay tax on the aggregate non-exempt amount of the public benevolent institution employer. You effectively lodge your FBT return as both a rebatable employer and as a public benevolent institution employer, by following the below instructions.

See also:

- ato.gov.au/Non-profit

14 Calculated fringe benefits taxable amounts

For the amounts that you will be treated as a:

- **rebatable employer**: complete items **14A** and **14B** in the same way as a rebatable employer would - see Rebatable employers.
- **public benevolent institution employer** only complete item **14C** in the same way as a public benevolent institution would - see Public

benevolent institutions and health promotion charities.

15 Fringe benefits taxable amount

Write at item **15** the sum of the amounts at items **14A**, **14B** and **14C** even if the amount is nil.

You must complete this item because it forms the basis of self-assessing any FBT liability.

16 Amount of tax payable

Multiply the amount you wrote at item **15** by 49% (the tax rate for the year ending 31 March 2017) and write the total at item **16** even if the amount is nil. This is the total FBT amount you are liable to pay.

You must complete this item because it forms the basis of self-assessing any FBT liability.

17 Aggregate non-rebatable amount

Calculate the aggregate non-rebatable amount in the same way as a rebatable employer would– see Rebatable employers.

Write at item 17 the total of this amount and the tax payable on the aggregate non-exempt amount (item **14C** x 49%).

18 Amount of rebate

Calculate item **18** in the same way as a rebatable employer would – see Rebatable employers.

19 Sub-total

Write at item **19** the amount at item **16** less the amount (if any) at item **18** even if the amount is nil.

You must complete this item because it forms the basis of self-assessing any FBT liability.

Example 8: Items 14 to 19 for not-for-profit organisation operating partly as an eligible public benevolent institution employer

You are a not-for-profit organisation, part of which is eligible for FBT exemption (as it is a public benevolent institution employer) and the rest of the organisation is a rebatable employer. You have a fringe benefits taxable amount of $150,000 for the year starting on 1 April 2016 made up of:

- $105,000 type 1 benefits (type 1 aggregate amount of $48,921.40 × 2.1463)
- $33,000 type 2 benefits (type 2 aggregate amount of $16,829.87 × 1.9608)
- an aggregate non-exempt amount of $12,000.

You have two employees in the rebatable part of your organisation with individual grossed-up non-rebatable amounts greater than $31,177. One employee has an amount of $50,000, and the other has an amount of $45,000.

The calculation of the aggregate non-rebatable amount is as follows:

($50,000 – $31,177) + ($45,000 – $31,177) x 49%
= $15,996.54

Add to this amount the tax payable on the aggregate non-exempt amount ($12,000 × 49%)
= $5,880.00

$15,996.54 + $5,880.00
= $21,876.54

The calculation of the amount of rebate is as follows:

0.49 x (amount of tax payable - aggregate non-rebatable amount) .

The amount of tax payable is 49% of the fringe benefits taxable amount, which equates to gross tax of $73,500 (0.49 x $150,000).

The rebate calculation is:

0.49 x ($73,500.00 – $21,876.54)
= $25,295.50

Example 8: Items 14 to 19 for not-for-profit organisation operating partly as an eligible public benevolent institution employer

20 to 25

Complete these items in the same way as a taxable employer would – see Taxable employers.

If the fringe benefits you provide to the employees of the public benevolent institution employer exceed the $31,177 capping threshold, at item **23**, the 'Taxable value of benefits' must be the amounts before they are grossed-up and before the $31,177 capping amounts are deducted (not the aggregate non-exempt amount).

The information you include in the 'Taxable value of benefits' column is based on the total of the individual base non-exempt amounts for all employees you calculated at steps 3 and 5 of item **14C**.

The figures you place in the 'Taxable value of benefits' column must be the amounts before the $31,177 capping amounts are deducted.

QC 51524

Fringe benefit categories

Last updated 22 March 2017

This section provides an overview of each type of fringe benefit and will help you to complete item **23**.

Make sure that you do not include the gross-up calculation in the amounts you show at this item.

There are specific valuation rules for each fringe benefit category. Before you can calculate the taxable value of any benefit and complete the details in the 'Taxable value of benefits' column, you must identify the category of the benefit you provided and do the appropriate calculations for that category.

Refer to **Fringe benefits tax – a guide for employers** for more information.

A – Cars using the statutory formula

B – Cars using the operating cost method

C – Loans granted

D – Debt waiver

E – Expense payments

F – Housing – units of accommodation provided

G – Employees receiving living-away-from-home allowance (show totals including exempt components)

J – Board

K – Property

L – Income tax exempt body – entertainment

M – Other benefits (residual)

N – Car parking

P – Meal entertainment

QC 51524

A – Cars using the statutory formula

Last updated 22 March 2017

A car fringe benefit most commonly arises where you make a car you 'hold' available for the private use of an employee.

You can calculate the taxable value of a car fringe benefit using either the statutory formula method or operating cost method.

When you complete the information at item **A**, do not show the actual value of the cars in the 'Gross taxable value (a)' column.

Employee contributions include:

- amounts the employee pays directly to you for using a car
- any car operating costs (for example, fuel) the employee paid.

Use GST-inclusive amounts where appropriate.

If, at the beginning of the FBT year, you have already owned or leased the car for four years, you can reduce its base value by one-third. The reduction applies only once for a particular car – you then use the reduced base value for subsequent years

Determining the statutory percentage

You can reduce the base value of a car by one-third for the year ending 31 March 2017, if you owned or leased the car in the year ending 31 March 2012. The reduction applies only once for a particular car and you then use the reduced base value for subsequent years.

A flat statutory rate of 20% applies, regardless of the distance travelled, to all car fringe benefits you provide from 1 April 2014 (except where there is a pre-existing commitment in place before 7.30pm AEST on 10 May 2011 to provide a car).

Pre-existing commitment in place before 7.30pm AEST on 10 May 2011

The statutory percentages for car fringe benefits provided where you have a pre-existing commitment in place before 7.30pm AEST on 10 May 2011, are as follows:

Total kilometres travelled during the FBT year	Statutory percentage
Less than 15,000	26
15,000 to 24,999	20
25,000 to 40,000	11
Over 40,000	7

You can continue to use these statutory rates for all pre-existing commitments unless there is a change to that commitment (for example the car is re-financed or the lease relating to the car has ended or been extended).

If a car was not held for the whole FBT year, you need to work out how many kilometres it would have travelled if you had held it for the whole year, to establish the appropriate statutory fraction, for example, if you acquire a car halfway through the FBT year and it travels 12,000 kilometres in six months, the distance it travels in a year is 24,000 kilometres.

Example 9: Taxable value of car fringe benefits using the statutory formula - pre-existing commitment

You have two cars with a reduced base value of $30,000 each. You enter into a contract with your employees on 1 May 2011 to provide cars to them for 6 years. Both cars travelled 30,000 kilometres in the year ending 31 March 2017 and have been available to your employees for their private use for the whole year. Your employees who use the cars have made contributions of $1,000 each for fuel during the year.

The transitional rate based on the kilometres travelled is 11%.

The calculation of the taxable value using the statutory formula for each car is:

($30,000 × 11%) – $1,000
= $2,300

You would write at item **23**:

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Example 10: Taxable value of car fringe benefits using the statutory formula - no pre-existing commitment

On 12 June 2016 you agreed to provide an employee with a car fringe benefit. The car was delivered on 1 July 2016 and was available to the employee for private use from that date.

From 1 July 2016 to 31 March 2017, the car travelled 31,000 kilometres.

The base value of the car is $32,000.

The employee did not make any contributions.

The calculation of the taxable value using the statutory method is: ($32,000 × 20%) x 274/365 = $4,804.

You would write at item **23**:

Example 10: Taxable value of car fringe benefits using the statutory formula - no pre-existing commitment

QC 51524

B – Cars using the operating cost method

Last updated 22 March 2017

Use GST-inclusive amounts where appropriate – do not show the actual value of the cars in the 'Gross taxable value (a)' column.

Employee contributions include:

- amounts the employee pays directly to you for using a car
- any car operating costs (for example, fuel) the employee has paid.

The total operating costs you use for calculating the fringe benefits taxable value of car fringe benefits are different from those you use for income tax purposes. Also, the income tax depreciation cost limit does not apply for FBT purposes.

Example 11: Taxable value of car fringe benefits using the operating cost method

You have a car with $10,000 in total operating costs for the year ending 31 March 2017. The employee who uses the car maintains a logbook. Based on the logbook and other usage patterns, you estimate the percentage of private use to be 30%. The employee has not made any contributions during the year.

The calculation of the taxable value for the car using the operating cost method is:

($10,000 × 30%) = $3,000

You would write at item **23**:

Example 11: Taxable value of car fringe benefits using the operating cost method

QC 51524

C – Loans granted

Last updated 22 March 2017

A loan fringe benefit arises where you provide a loan to an employee and charge a low rate of interest (or no interest). Item **C** is the number of loans you made that gave rise to taxable fringe benefits and the taxable value of those benefits.

Therefore, do not show the amount of the actual loans in the 'Gross taxable value (a)' column.

Example 12: Taxable value of loan fringe benefits

You are a retail business and lend an employee $20,000. You did not charge interest and the employee made no repayments during the FBT year.

The calculation based on the statutory (or benchmark) interest rate that applies from 1 April 2016 is:

$20,000 × 5.65% = $1,130

You would write at item **23**:

Example 12: Taxable value of loan fringe benefits

QC 51524

D – Debt waiver

Last updated 22 March 2017

If an employee is in debt to you and you release the employee from the obligation to repay the debt, the unpaid amount is a debt waiver fringe benefit. Show the amount of this kind of benefit at item **D**.

A debt owed by an employee that you write off as a genuine bad debt is not a debt waiver fringe benefit.

Example 13: Taxable value of debt waiver fringe benefit

You waive a $500 debt (including principal and interest) that an employee owed you from a previous year.

You would write at item **23**:

Example 13: Taxable value of debt waiver fringe benefit

QC 51524

E – Expense payments

Last updated 22 March 2017

An expense payment fringe benefit may arise in either of two ways:

- where you (the employer) reimburse an employee for expenses they incur
- where you pay a third party in satisfaction of expenses incurred by an employee.

Example 14: Taxable value of expense payment fringe benefits

You operate a real estate business and pay an employee's home telephone bill of $1,200 for the year ending 31 March 2017. On 31 March 2017, your employee provides you with a declaration stating that 60% of the bills are for business purposes and are, as a result, otherwise deductible. The other 40% of the calls are private calls.

The calculation of the taxable value for the expense payment is:

$1,200 × 60% = $720. $720 is otherwise deductible.

$1,200 - $720 = $480 taxable value.

You would write at item **23**:

Example 14: Taxable value of expense payment fringe benefits

QC 51524

F – Housing – units of accommodation provided

Last updated 22 March 2017

A housing fringe benefit arises where an employee is provided with the right to use a unit of accommodation and a lease or licence which grants that right exists at a time when that unit of accommodation is the usual place of residence of the employee.

Housing benefits provided in a remote area may be exempt benefits. Other accommodation that does not meet the requirements of a housing fringe benefit is included as a residual fringe benefit and you must show it at item **M** 'Other benefits (residual)'.

Example 15: Taxable value of housing fringe benefits

You manufacture chocolate and provide a flat in Sydney CBD to your employee for the year ending 31 March 2017. The flat is the employee's usual place of residence for the whole year.

The market rental value for the year is $26,000 (52 weeks at $500). The employee pays you a nominal rent of $2,600 for the year ($50 per week).

The calculation of the taxable value is:

$26,000 – $2,600 = $23,400

You would write at item **23**:

Example 15: Taxable value of housing fringe benefits

QC 51524

G – Employees receiving living-away-from-home allowance (show totals including exempt components)

Last updated 22 March 2017

A living-away-from-home-allowance is an allowance you pay to your employee to compensate for additional expenses incurred and any disadvantages suffered because the employee's duties of employment require them to live away from their normal residence.

Write at item **G** the amount of benefits you provide to employees as a living-away-from-home allowance, including the exempt accommodation, exempt food components and the statutory food amount.

The statutory food amount is the amount your employees would spend on food at their normal residence – it is set at $42 per week per adult, and $21 per week per child under 12 years of age.

Write the exempt accommodation and exempt food component amounts in the 'Value of reductions (c)' column, provided you have obtained the relevant declarations.

See also:

- Living-away-from-home allowance fringe benefits

You must obtain the necessary documentary evidence or declaration of employee expenses and the declaration about living away from home so you can take advantage of any exempt accommodation and exempt food components.

See also:

- LAFHA declarations

Example 16: Taxable value of living-away-from-home allowance fringe benefits

Your employee, lives away from home in Australia for the year ending 31 March 2017 and receives $591 per week ($30,732 for the year) as a living-away-from-home allowance. The duties of your employee's employment require the employee to live away from their normal residence.

This is made up of:

- $350 per week ($18,200 for the FBT year) for accommodation
- $241 per week ($12,532 for the FBT year) for food.

The accommodation component reflects what the employee could reasonably be expected to pay for rent, and the food component relates to the total estimated food expenditure of $241 per week. Your employee provides you with the required documentary evidence showing that they spent at least $350 per week on accommodation. The employee declares that they have spent no more than the Commissioner's reasonable food amount and, therefore, is not required to substantiate their expenditure. The employee provides you with a living away from home declaration - employee who maintains an Australian home - on 20 April 2017.

The employee started living away from home at this location in January 2016. Due to the 12 month rule, you are entitled to reduce the taxable value of the allowance for the first 40 weeks of the year starting on 1 April 2016. The employee maintains a home in Australia at which they usually reside and it is available for their use during the year.

The calculation of the taxable value for living-away-from-home allowance fringe benefits is:

Exempt accommodation component = $14,000 (40 weeks at $350 per week)

Exempt food component = $7,960 ($9,640 – $1,680) (40 weeks at $199 [$241 paid less $42 per week statutory food amount])

Taxable value = $30,732 – $14,000 (exempt accommodation) – $7,960 (exempt food) = $8,772

Value of reduction is the total of the exempt accommodation and the exempt food components = $21,960 ($14,000 + $7,960).

You would write at item **23**:

Example 16: Taxable value of living-away-from-home allowance fringe benefits

QC 51524

J – Board

Last updated 22 March 2017

Meals you provide to an employee and to family members living with the employee may be a board fringe benefit if:

- you provide an employee with accommodation and
- the employee has an entitlement to at least two meals a day prepared and supplied by you on your premises.

Example 17: Taxable value of board fringe benefits

You provide board fringe benefits valued at $21,900 to employees for the year ending 31 March 2017. You do not require your employees to make a contribution towards their board meals and their accommodation. The employees would not have been entitled to an income tax deduction had they paid for their meals.

You would write at item **23**:

Example 17: Taxable value of board fringe benefits

QC 51524

K – Property

Last updated 22 March 2017

You may provide a property fringe benefit when you provide an employee with property (for example, goods), either free or at a discount.

Example 18: Taxable value of property fringe benefits

You are an electrical retailer that provides a television that you sell to the public for $2,000, and an air conditioner that you sell to the public for $1,600, to an employee during the year ending 31 March 2017. These prices are the lowest selling price including GST. Your employee paid a total of $300 for these items and did not enter into a salary packaged arrangement to pay for the goods.

As these items are in-house property fringe benefits, and are not provided under a salary packaging arrangement, the taxable value is 75% of the normal selling price. Additionally, you qualify for the in-house concession of up to $1,000 per employee per year. The goods are not used for work-related purposes.

The calculation of the taxable value of the property fringe benefit is:

Gross taxable value is $2,700 (($2,000 + $1,600) x 75%)

Value of reduction is $1,000.

You would write at item **23**:

Example 18: Taxable value of property fringe benefits

QC 51524

L – Income tax exempt body – entertainment

Last updated 22 March 2017

A tax-exempt body entertainment fringe benefit may arise from entertainment expenses incurred by you if either:

- you are wholly or partially exempt from income tax
- you did not derive assessable in come from the activities to which the entertainment relates.

If you are an income tax exempt employer, you may choose to value meal entertainment not provided under a salary packaging arrangement using the valuation rules applicable to meal entertainment fringe benefits. If so, you must include the benefits on the return at item **P** 'Meal entertainment'.

If you provide the entertainment under a salary packaging arrangement, you cannot choose to value it as a meal entertainment fringe benefit.

If you are not exempt from income tax and you provided entertainment, this may give rise to a fringe benefit.

Do not value a benefit of this type in this category – instead, establish the taxable value as an expense payment, property or residual fringe benefit, depending on how you provided the benefit. Alternatively, you can value meal entertainment as a meal entertainment fringe benefit.

Example 19: Taxable value of income tax exempt body – entertainment fringe benefits

You are a local council that provides a Christmas function for your employees on your premises. You provided finger food and your employees' spouses attended. You did not elect to value the meal as a meal entertainment fringe benefit.

The value of the tax-exempt body entertainment fringe benefit is $5,000.

You would write at item **23**:

Example 19: Taxable value of income tax exempt body – entertainment fringe benefits

QC 51524

M – Other benefits (residual)

Last updated 22 March 2017

You may provide a residual fringe benefit when you provide an employee with either of the following:

- any right, privilege, service or facility
- any other benefit that is not one of the specific categories of fringe benefits included at other categories in item **23**.

If you choose to value entertainment facility leasing benefits that are not provided under a salary packaging arrangement under the 50–50 method, you must write the value of these benefits at item **M**.

Example 20: Taxable value of other benefits (residual fringe benefits)

You run a construction business and own a one-tonne utility with $8,000 in total operating costs for the year ending 31 March 2017. Your employee uses the utility for both business and private purposes. On 1 May 2017, your employee provides you with a declaration stating that they used the utility 25% of the time for private purposes. Your employee has not made any contributions during the year towards the use of the utility.

The calculation of the taxable value for the utility is:

($8,000 × 25%) – $0 = $2,000

Value of reduction is $8,000 × 75% = $6,000 (business usage).

You would write at item **23**:

Example 20: Taxable value of other benefits (residual fringe benefits)

QC 51524

N – Car parking

Last updated 22 March 2017

A car parking fringe benefit may arise for each day on which you provide a car parking space for use by an employee.

See also:

- Car parking fringe benefits

Example 21: Taxable value of car parking fringe benefits

You have 10 parking spaces under your city building that you allow your employees to use for the year ending 31 March 2017.

Your employees use the parking spaces for more than four hours during the working day and there are several commercial parking stations within walking distance that charge more than $10 a day on 1 April 2016.

The car parking fringe benefits are valued at $20,000. Your employees have not made any contributions during the year.

You would write at item **23**:

Example 21: Taxable value of car parking fringe benefits

QC 51524

P – Meal entertainment

Last updated 22 March 2017

Where expense payment fringe benefits, property fringe benefits, residual fringe benefits or tax-exempt body entertainment fringe benefits arise from the provision of meal entertainment, you may be eligible to elect to classify these fringe benefits as meal entertainment fringe benefits. You are not eligible to make an election if benefits are provided under salary packaging arrangements on or after 1 April 2016.

If you choose to classify a fringe benefit as a meal entertainment fringe benefit, you have to classify all fringe benefits arising from the provision of meal entertainment during the year ending 31 March 2017 as meal entertainment fringe benefits.

Specifically, the provision of meal entertainment means:

- providing entertainment by way of food or drink
- providing accommodation or travel in connection with, or to facilitate the provision of, such entertainment
- paying or reimbursing expenses incurred by the employee for the above.

There are two methods you can use to calculate the taxable value of meal entertainment fringe benefits:

- 50-50 split method
- 12-week register method

You must decide to classify fringe benefits as meal entertainment by 21 May 2017 unless we have allowed you to lodge it later or you have a later due date.

Example 22: Taxable value of meal entertainment fringe benefits

You spend $4,000 on meal entertainment not provided under a salary packaged arrangement for the year ending 31 March 2017. You elect on 1 April 2017 to value the meal entertainment fringe benefits using the 50–50 split method.

The calculation of the taxable value for the meal entertainment fringe benefits is:

$4,000 × 50% = $2,000

You would write at item **23**:

Example 22: Taxable value of meal entertainment fringe benefits

QC 51524

Record keeping

Last updated 22 March 2017

For your tax records, you must keep for 5 years your:

- calculations
- worksheets
- declarations
- elections
- supporting details.

You do not need to submit these with your return. You must also keep for 5 years any relevant employee declarations and records of fringe benefits provided by associates.

You must make your elections and declarations and obtain all employee declarations by 21 May 2017 unless we have allowed you to lodge it later or you have a later due date.

Record-keeping exemption arrangements

The record-keeping exemption arrangements allow certain employers to choose not to keep certain records for an FBT year if they lodge their FBT return for that year. Instead, we work out your FBT liability for that FBT year using the total taxable value of fringe benefits you provided in an earlier base year when you kept FBT records.

You can elect to use the record-keeping exemption arrangements if **all** of the following apply for **all** years between your base year and the year ending 31 March 2017:

- You are not a government body or income tax exempt at any time during the year ending 31 March 2017.
- We have not issued you a notice requiring you to resume record keeping.
- You were in business for the whole of the base year.
- You kept FBT records in the base year.
- You lodged your FBT return for the base year by its due date.
- The aggregate fringe benefits amount (total of taxable values of all fringe benefits) in the base year did not exceed the exemption threshold for that base year (listed below).
- You have elected that the record-keeping exemption arrangements apply in all years from the base year to the year ending 31 March 2017.
- The aggregate fringe benefits amount for the benefits provided in the year ending 31 March 2017 does not exceed the amount in the base year by more than 20%, unless the difference is $100 or less.

See also:

- Fringe benefits tax record keeping

Exemption thresholds

Year	Amount
2013	$7,642
2014	$7,779
2015	$7,965
2016	$8,164
2017	$8,286

If you use the record-keeping exemption arrangements for the year ending 31 March 2017, you must write at:

- item **15** the fringe benefits taxable amount you provided in the base year
- item **23** the taxable value of each category of fringe benefit you provided during the base year.

QC 51524

Calculation rates

Last updated 22 March 2017

For the calculation rates for the FBT year 1 April 2016 - 31 March 2017, refer to Fringe benefits tax - rates and thresholds.

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