FRINGE

BENEFITS TAX

Introduction to FBT

It is just like a non monetary benefits what we called perqusites in India and excludes the following such as:

- **Salary & wages**
- **Shares Purchased**
- **Employer contributions to complying super fund**
- **Employment termination payment**
- **Dividend payment under Div. 7A etc**



FY with respect to FBT

01st April XXXX to 31st March XXXX

Due Date to Lodge FBT

21ST May

21st May 2024 for employers & tax agents who lodge by paper

25th June

25th June 2024 for tax agents who lodge electronically

Types of FBT:

1. FBT on Cars, Other Vehicles , Parking & Tolls

2. Loan & Debt Waiver Fringe Benefit

3. Accomodation & Location Related Fringe Benefits

4. Entertainment Related Fringe Benefits(Question of Why & What Type)

5. Expenses Payment Fringe Benefits

6. Property Fringe Benefits etc.

Methods Used:

Stautory Formula

Operating Cost Formula

Threshold limit for Installment Payment

- **If FBT liability for PY was $3000 or more , need to pay by 4 quarterly installments**



Gross Up Rate for FBT:

Higher Gross Up Rate:

- **This rate is used when a benefit provider is entitled to GST credit in respect of provision of benefit**

  2.0802

Lower Gross Up Rate:

- **This rate is used when a benefit provider is not entitled to claim GST credit.**

  1.8868



Car Fringe Benefits:

Stautory Formula:

A flat statutory rate of 20% applies to all car fringe benefits provided from 1 st april 2014 regardless of distance travelled.

Operating Cost Formula:

Dimishing value depreciation rates @ 25% are used for car fringe benefits valued under operating cost method for cars purchased on or after 10th May 2006.

Expenses To Be deducted while calculating FBT in Operating Cost Method:

- Car expenses such as registration & insurance
- Fuel charges
- Car parking expenses
- Repair & Maintenance
- Any Other Expenses



Car Parking

Where an employee parks a car in a place that:

- **You own, lease or control (e.g. your business premises)**
- **Is located in the vicinity of the employee's primary place of employment;**
- **Car parking facilities for employees within 1 KM of a commercial parking station.**
- **Your employee drives the car between their home and work, or vice versa, at least once on that day.**

FBT on Tolls

- Applicable only on private use of car and not in business use .
- FBT also applies if you pay the tolls of an employee's associate, such as their partner.
- Note: The total value of the road or bridge toll for an employee over the FBT year is less than $300.(Minor Benefit Exemption)

Methods to Calculate Taxable Value of Toll:

- Actual Value, Private Use

Thank you very much!