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FBT EXEMPTIONS

Employers are required by the Fringe Benefits Tax (FBT) legislation to record on payment summaries if the taxable value of benefits provided to an employee exceeds \$2,000 during the FBT year (from 1 April to 31 March). It is used to determine a taxpayer's entitlement to certain income-tested tax concessions and liability to income-tested surcharges for the year.

Only certain fringe benefits provided to employees are required to report. The following benefits are exempt from FBT:

- ⊕ salary & wages;
- ⊕ infrequent benefits of less than \$300 per employee;
- ⊕ car parking provided on business premises by a small business entity (business annual turnover is less than \$2m) or by a business whose assessable income was less than \$10m before the relevant FBT year and the business is not a public company or a subsidiary of a public company;
- ⊕ car parking provided to disabled employees;
- ⊕ employer provided taxi travel between home and work;
- ⊕ compassionate travel;
- ⊕ work-related items (including laptop computers, mobile phones, personal digital assistants and tools of trade). If the item is acquired after 13 May 2008, the exemption only applies where these items are used primarily for work purposes and the exemption is limited to one item of each type per employee per year unless the subsequent item is a replacement item.

We have provided general information for guidance only in this newsletter. For business and personal taxation planning, or other professional advice having regard to your circumstances, please come and see either Charles or Matthew.