

INFORMATION FOR 2021 FRINGE BENEFITS TAX RETURN

To assist you in collating the information for the FBT return for the year ended 31 March 2021, please find below a list of information we generally require to prepare the FBT return.

1. MOTOR VEHICLES

The odometer reading as at 31 March 2021 for all motor vehicles which are owned or leased and which are subject to Fringe Benefits Tax will need to be recorded.

Odometer records must be kept irrespective of which method is used to calculate the taxable value of the benefit.

The form should be signed and dated as soon as possible on or after 31 March 2021 by the employee who has use of the car, and should include details of any period during which the motor vehicle **was available for private use**. This includes any period where the vehicle is either garaged at or near the employee's residence, as well as where the employee has custody of the vehicle. Please also advise us of any motor vehicles acquired (including date of purchase and acquisition cost) or sold (including date of sale and proceeds) during the FBT year.

Please note that the Fringe Benefits Tax liability can be reduced if any of the motor vehicles were unavailable for the private use of an employee between 1 April 2020 and 31 March 2021. Written documentation needs to be maintained to substantiate the days when a vehicle was not available for private use (for example, an email from the employee to the employer acknowledging that the vehicle and the keys were kept on the employer's premises on specific dates).

If you are using the operating cost method, please ensure that each employee has a valid logbook. If a new logbook has been commenced during the year ending 31 March 2021, please ensure it has been completed on or before 31 March 2021 and provide a copy of the full logbook to our office.

2. ENTERTAINMENT

Entertainment provided to an employee or an associate of an employee is subject to Fringe Benefits Tax. Entertainment provided to non-employees who are not associates of employees (e.g. clients, customers, suppliers, etc.) are generally not subject to Fringe Benefits Tax. An associate of any employee includes relatives, partners, trustees and beneficiaries. For a comprehensive listing of examples of entertainment expenses, please refer to [Taxation Ruling 97/17: Entertainment by way of Food or Drink](#).

For each item of entertainment expense please provide details including:

- If electing to use the actual method - the name of employees/associates, number of employees and clients/customers/suppliers who were present.
- If electing to use the 50/50 method - it can be assumed that 50% of the total entertainment expenditure relates to employee entertainment and the balance to non-employees.
- If electing to use the 12 week register method - record the entertainment expenditure in a register (including the name of the employees/associate and the number of employees and non-employees who attended) and the percentage determined over the 12 weeks that is relating to employee entertainment is adopted for the FBT year.

3. OTHER BENEFITS

You will need to review your records for any other benefits which may have been provided to employees and which may be subject to Fringe Benefits Tax. For example; loans, car parking, expense payments.

4. EMPLOYEE DECLARATIONS

Where applicable, employee declarations need to be completed and signed by the lodgement due date of the FBT return (i.e. 25 June 2021).

Examples of when an employee declaration may be required include receiving fringe benefits with respect to the following:

- Living away from home in the course of employment;
- Motor vehicle travel to a work related medical examination, counselling or training;
- Personal vehicle expenses which are calculated using the cents per kilometre method;
- An interview or selection test; and
- Expenses that are otherwise deductible to the employee.

Please refer to the Australian Taxation Office website for [details of employee declarations](#) and a list of [approved employee declaration forms](#). Alternatively, please contact our office for further information.

5. FRINGE BENEFITS TAX AND GST

The taxable value of fringe benefits is the GST inclusive amount. It is important that the amount of GST paid on each benefit provided (including nil amounts) is included in the details supplied to us.

Entertainment provided to non-employees who are not associates of employees, are generally not tax deductible and not subject to Fringe Benefits Tax. The GST paid on these expenses is not eligible to be claimed as an input tax credit. Adjustment can be made where there has been any over claimed input tax credits once the FBT Return has been prepared. We will advise any adjustments required if necessary.

Input tax credits can be claimed for expense payment benefits provided to employees where GST has been paid. In order to claim any input tax credits, valid tax invoices must be held by the employer. It is therefore essential that tax invoices are obtained from employees for all expense payment benefits.

GST is also required to be remitted where employees contribute to costs and payments are made directly to the employer or an associate of the employer.

6. REPORTABLE BENEFITS

To enable us to calculate the amount of reportable benefits to be included on the employees' PAYG payment summaries for the year ended 30 June 2021, would you kindly advise which employee received the relevant benefit.

Please note that there are some benefits which are excluded from the reportable benefits requirements for which this detail is not required. The most common of these excluded benefits are meal entertainment and car parking benefits.