

# FBT Checklist 2024-25

With the due date for FBT returns coming up, the following non-exhaustive checklist may prove useful in determining whether an employer has an FBT liability in the first place.

Although it will generally fall to your accountant to prepare the FBT return from your software file or other records, all of the instances where you have provided employees and/or their associates (eg, spouse) with a potential fringe benefit may not always be apparent to them. To assist you in bringing these potential benefits to the attention of your accountant, following is a general checklist to refer to.

CAR FRINGE BENEFITS						
		Y	N		Y	N
» <b>Does a car fringe benefit arise?</b>		<input type="checkbox"/>	<input type="checkbox"/>	incurred in the course of performing employment-related duties, and		
For FBT purposes a “car” is:				• non-work-related use that is minor, infrequent and irregular. This means (according to the ATO) less than 1,000 kms of private vehicle use, with no single private use journey in excess of 200 kms. (The ATO expects the employer to exercise some oversight over the minor, infrequent and irregular use of the vehicle.)		
• any motor-powered road vehicle (including a four-wheel drive) that is designed to carry:						
• less than one tonne, and						
• fewer than nine passengers.						
» <b>Were any vehicles provided to employees (or associates) during the FBT year?</b>		<input type="checkbox"/>	<input type="checkbox"/>			
You make a car available for private use by an employee on any day that either:				» <b>Is the vehicle a dual cab vehicle?</b>	<input type="checkbox"/>	<input type="checkbox"/>
(a) the car is actually used for private purposes by the employee or				If so, the vehicle will qualify for the work-related use exemption only if:		
(b) the car is available for the private use of the employee.				• it is designed to carry a load of one tonne or more, or more than eight passengers, or		
A car is treated as being available for private use by an employee on any day that either:				• while having a designed load capacity of less than one tonne, it is not designed for the principal purpose of carrying passengers.		
(a) the car is not at the employer’s premises, and the employee is allowed to use it for private purposes, or				» <b>Is the vehicle a “modified” vehicle?</b>	<input type="checkbox"/>	<input type="checkbox"/>
(b) the car is garaged at the employee’s home.				Certain modified vehicles are exempt from FBT where modifications permanently change a car and cannot be readily reversed for the car to be regularly used alternately as a passenger or non-passenger car. An example of such a vehicle is a hearse.		
» <b>If so, was the vehicle designed to carry less than one tonne and fewer than nine passengers?</b>		<input type="checkbox"/>	<input type="checkbox"/>	» <b>Is the vehicle an unregistered vehicle?</b>	<input type="checkbox"/>	<input type="checkbox"/>
If so, the vehicle would be classified as a “car” for FBT purposes. If not, the provision of the vehicle may constitute a “residual fringe benefit” (see later). Different requirements in valuing the benefit then apply.				If a car is unregistered for the full FBT year and used principally for business purposes (such as off-road or cars used on farms), any private use is exempt from FBT. A car that may be lawfully driven on a public road is regarded as being registered.		
<b>Exemptions</b>				» <b>Does the vehicle qualify for the electric cars exemption?</b>	<input type="checkbox"/>	<input type="checkbox"/>
» <b>Is the vehicle a taxi, panel van or utility?</b>		<input type="checkbox"/>	<input type="checkbox"/>	Zero or low emission vehicles (including plug-in hybrids) are exempt from FBT where they are first held from 1 July 2022 and made available to current employees or associates. This incentive will apply until at least 2027, when there is to be a review. The GST-inclusive cost of the EV cannot exceed \$91,387, which is the Luxury Car Tax threshold for fuel efficient vehicles for 2024-25. Plug-in hybrids will lose their exemption after 31 March 2025 unless there is a binding commitment to continue to provide the vehicle after that date.		
If so, an exemption is available where there is private use of the vehicle by a current employee and the vehicle is either:						
• a taxi, panel van or a utility designed to carry less than one tonne, or						
• any other road vehicle designed to carry less than one tonne which is not designed to principally carry passengers, and						
• the employee’s use of such a vehicle is limited to:						
• travel between home and work						
• travel incidentals where travel expenses are						

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CAR PARKING FRINGE BENEFITS		
	Y	N
<p>» <b>Does a car parking fringe benefit arise?</b></p> <p>A car parking fringe benefit arises in relation to a particular day where all of the following conditions are present on that day:</p> <ul style="list-style-type: none"> <li>the car is parked on business premises or associated premises of the provider</li> <li>a commercial parking station is located within a 1km radius of the premises at which the car is parked</li> <li>the lowest fee charged by the operator of any such commercial parking station located within a 1km radius for all-day parking on the first "business day" of the FBT year is more than the "car parking threshold" (\$10.77 for the 2024/25 FBT year).</li> <li>the car is parked on the premises for more than four hours (cumulative) between 7.00am and 7.00pm on that day</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>the car is used for travel between home and work at least once on that day</li> <li>the provision of the parking facility is in respect of the employment of the employee</li> <li>the car is owned by, leased to, or otherwise under the control of the employee, and</li> <li>the employee has a primary place of employment on that day and the parking is at or in the vicinity of that primary place of employment.</li> </ul> <p>Small businesses (gross turnover less than \$10 million or aggregated turnover less than \$50 million) are exempt from car parking FBT unless employees are using a commercial car parking station.</p>		

LOAN FRINGE BENEFITS				
	Y	N	Y	N
<p>» <b>Does a loan fringe benefit arise...</b></p> <ul style="list-style-type: none"> <li>Has a loan been made by an employer (or associate) to an employee (or their associate)?</li> <li>Was the loan provided in respect of the employment of the employee?</li> <li>Do you know the date the loan was made?</li> <li>Do you know the amount of the loan?</li> <li>Do you know the purpose of the loan?</li> <li>Has interest been charged on the loan that is at a rate lower than the benchmark interest rate of 8.77% (2024/25)?</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>		
<p>The loan is not a fringe benefit where it is either:</p> <ul style="list-style-type: none"> <li>compliant with s109N ITAA 1936 for Division 7A purposes, or</li> <li>treated as a deemed dividend under s109D ITAA 1936 for Division 7A purposes.</li> </ul> <p><b>Exemptions</b></p> <p>» <b>Is the minor benefits exemption under s58P FBT Act applicable?</b></p> <p>» <b>Did the loan constitute an advance of money by the employer to the employee to meet employment-related expenditure which will be incurred within six months?</b></p> <p>If yes, an exemption is available.</p>			<input type="checkbox"/>	<input type="checkbox"/>

DEBT WAIVER FRINGE BENEFITS				
	Y	N	Y	N
<p>» <b>Has an employer (or their associate) released the employee (or their associate) from repaying an outstanding debt?</b></p> <p>A debt waiver fringe benefit arises.</p>	<input type="checkbox"/>	<input type="checkbox"/>		
<p>» <b>Does the debt forgiveness give rise to a deemed dividend under Division 7A ITAA 1936?</b></p> <p>If so, the debt waiver does not constitute a fringe benefit.</p>	<input type="checkbox"/>	<input type="checkbox"/>		
<p>Section 109F ITAA 1936 may operate to treat a forgiven debt as a deemed dividend in the hands of a current or former shareholder (or associate) of a private company even if they are also an employee of the company (see s109ZB(2) ITAA 1936).</p> <p>» <b>Does the debt waiver constitute the forgiveness of a genuine bad debt?</b></p> <p>If so, the debt waiver is exempt from FBT.</p>			<input type="checkbox"/>	<input type="checkbox"/>

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EXPENSE PAYMENT FRINGE BENEFITS			
	Y	N	
» <b>Does an expense payment fringe benefit arise?</b>	<input type="checkbox"/>	<input type="checkbox"/>	and tablet pcs), briefcase, tool of trade or an item of computer software, or protective clothing. Specific conditions apply to the provision of portable electronic devices.
» <b>Did an employer (or their associate) pay or reimburse an employee (or their associate) for any expenses incurred by the employee (or their associate)?</b>	<input type="checkbox"/>	<input type="checkbox"/>	Employers who are eligible small businesses (ie, aggregated annual turnover of less than \$50 million) can provide multiple work-related portable electronic devices (such as laptops and tablets) in certain circumstances.
» <b>Was the payment or reimbursement for an item that was used solely for an income-generating purpose?</b>	<input type="checkbox"/>	<input type="checkbox"/>	» <b>Is an exemption available for the reimbursement of the following:</b>
If yes, a fringe benefit does not arise. Employee to complete <i>Expense payment fringe benefit declaration</i> .			<ul style="list-style-type: none"> <li>• membership fees and subscriptions to:                             <ul style="list-style-type: none"> <li>• a trade or professional journal <input type="checkbox"/> <input type="checkbox"/></li> <li>• use a corporate credit card, or <input type="checkbox"/> <input type="checkbox"/></li> <li>• an airport lounge membership <input type="checkbox"/> <input type="checkbox"/></li> </ul> </li> <li>• newspapers and periodicals to employees for business purposes, and <input type="checkbox"/> <input type="checkbox"/></li> <li>• expenses relating to emergency assistance such as:                             <ul style="list-style-type: none"> <li>• first aid or other emergency health care <input type="checkbox"/> <input type="checkbox"/></li> <li>• emergency meals, food supplies, clothing, accommodation, transport or use of household goods <input type="checkbox"/> <input type="checkbox"/></li> <li>• temporary repairs, and <input type="checkbox"/> <input type="checkbox"/></li> <li>• any similar matter. <input type="checkbox"/> <input type="checkbox"/></li> </ul> </li> </ul>
» <b>Was the expenditure reimbursement by the employer to the employee on a cents-per-kilometer basis?</b>	<input type="checkbox"/>	<input type="checkbox"/>	
If yes, the payment is FBT-exempt. Note that the employee will be assessed on this reimbursement.			
<b>Exemptions</b>			
» <b>Is the minor benefits exemption under s58P FBT Act applicable?</b>	<input type="checkbox"/>	<input type="checkbox"/>	
» <b>Is an exemption available for a work-related item which is used primarily in the employee's employment?</b>	<input type="checkbox"/>	<input type="checkbox"/>	
These work-related items include a portable electronic device (including mobile phones, laptops			

BOARD FRINGE BENEFITS			
	Y	N	
» <b>Does a board fringe benefit arise?</b>	<input type="checkbox"/>	<input type="checkbox"/>	dining facility), or <input type="checkbox"/> <input type="checkbox"/>
» <b>Was a meal provided to an employee (or their associate) where the following conditions are satisfied:</b>			• the following conditions are satisfied:
• there is an entitlement under an industrial award or employment arrangement to be provided with residential accommodation and at least two meals per day	<input type="checkbox"/>	<input type="checkbox"/>	• the employee's duties consist principally of duties to be performed in, or in connection with, an eligible dining facility of the employer or a facility for the provision of accommodation, recreation or travel which includes the dining facility <input type="checkbox"/> <input type="checkbox"/>
• the meal is supplied by either:			• the meal is cooked or prepared in the cooking facility of the dining facility, and <input type="checkbox"/> <input type="checkbox"/>
• where the employer is not a company – the employer, or	<input type="checkbox"/>	<input type="checkbox"/>	• the meal is provided to the recipient in the dining facility <input type="checkbox"/> <input type="checkbox"/>
• where the employer is a company – the employer or a related company	<input type="checkbox"/>	<input type="checkbox"/>	• the facility in which the meal is cooked or prepared is not used wholly or principally for cooking or meal preparation for the employee or their associates, and <input type="checkbox"/> <input type="checkbox"/>
• either of the following applies:			• the meal is not provided at a social function (eg, party or reception). <input type="checkbox"/> <input type="checkbox"/>
• the meal is cooked or prepared on the premises of the employer (or related company) and is provided to the recipient on employer's premises (other than a public			

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LIVING-AWAY-FROM-HOME ALLOWANCE (LAFHA)		Y	N	Y	N
» <b>Does a LAFHA benefit arise?</b>	<input type="checkbox"/>	<input type="checkbox"/>			
» <b>Was an employee paid an allowance by an employer as compensation for additional expenses because the employee was required to live away from his or her usual place of residence located in Australia to perform employment duties during the FBT year?</b>	<input type="checkbox"/>	<input type="checkbox"/>			
If yes: The LAFHA rules may apply.					
<b>Declarations and substantiation</b>					
» <b>Have the relevant LAFHA declarations been sought from employees in receipt of allowances or benefits before the lodgment day of the FBT return?</b>	<input type="checkbox"/>	<input type="checkbox"/>			
The ATO has released on its website pro-forma LAFHA declarations. The declarations include employees who fly-in, fly-out or drive-in or drive-out, employee-related expenses, and employees who maintain a home in Australia.					
» <b>Has documentary evidence been obtained from employee to substantiate accommodation and food expenses (if reasonable amounts determined by the ATO are not being used)?</b>	<input type="checkbox"/>	<input type="checkbox"/>			
			» <b>Alternatively, has a declaration for employee-related expenses been obtained?</b>	<input type="checkbox"/>	<input type="checkbox"/>
			If a declaration is made, the record must be maintained for five years from its making.		
			<b>Relocation costs</b>		
			» <b>Were any of the following expenses incurred in relation to the employee relocating from their usual place of residence to perform employment-related duties:</b>		
			• engagement of a relocation consultant	<input type="checkbox"/>	<input type="checkbox"/>
			• removal and storage of household effects	<input type="checkbox"/>	<input type="checkbox"/>
			• sale or acquisition of a dwelling	<input type="checkbox"/>	<input type="checkbox"/>
			• connection or reconnection of certain utilities (eg, water, electricity), or	<input type="checkbox"/>	<input type="checkbox"/>
			• transport of the employee (and family members) and any meals and accommodation en-route to the new location?	<input type="checkbox"/>	<input type="checkbox"/>
			The provision of such benefits either as an expense payment, property or residual fringe benefit is typically exempt from FBT.		

MEAL ENTERTAINMENT FRINGE BENEFITS		Y	N	Y	N
» <b>Does a meal entertainment fringe benefit arise?</b>	<input type="checkbox"/>	<input type="checkbox"/>			
» <b>Has entertainment been provided to an employee (or their associate) by way of food or drink, accommodation or travel in connection with the provision of food or drink or recreation?</b>	<input type="checkbox"/>	<input type="checkbox"/>			
<b>Calculation of taxable value</b>					
» <b>Has an election been made to use either the 50/50 split method or the 12 week register method?</b>	<input type="checkbox"/>	<input type="checkbox"/>			
» <b>If no election is made, the benefit is typically treated as either a property, expense payment or residual fringe benefit and the taxable value calculated based on the rules for those types of benefits (i.e. under the actual method).</b>					
• 50/50 split method – has all expenditure in respect of all persons been included?	<input type="checkbox"/>	<input type="checkbox"/>			
• 12-week register method:					
• Has all expenditure in respect of all persons been included?	<input type="checkbox"/>	<input type="checkbox"/>			
			• Does the register include details of the date, cost, location and persons in relation to the meal entertainment?	<input type="checkbox"/>	<input type="checkbox"/>
			See TR 97/17 for guidance on the various circumstances where food and drink is provided and the applicable FBT and income tax treatment.		
			» <b>Where the actual method is used:</b>		
			• Has the food or drink been consumed by current employees on the employer's business premises on a working day?	<input type="checkbox"/>	<input type="checkbox"/>
			If so, apply the s41 FBT Act exemption relating to property benefits.		
			• Is the minor benefits exemption pursuant to s58P FBT Act applicable?	<input type="checkbox"/>	<input type="checkbox"/>
			<b>Reduction in taxable value</b>		
			» <b>Did the employee contribute towards the provision of the benefit?</b>		
			If so, reduce the taxable value by the amount of the employee's contribution.		

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HOUSING FRINGE BENEFITS			
	Y	N	
» <b>Does a housing fringe benefit arise?</b>	<input type="checkbox"/>	<input type="checkbox"/>	An exemption will arise where the benefit constitutes remote area housing.
» <b>Has an employer (or their associate) provided an employee (or their associate) with a right to occupy a “unit of accommodation” as the usual place of residence of the employee (or their associate)?</b>	<input type="checkbox"/>	<input type="checkbox"/>	<p><b>Reduction in taxable value</b></p> <p>» <b>Did the employee contribute towards the provision of the benefit?</b> <input type="checkbox"/> <input type="checkbox"/></p> <p>Reduce the taxable value by the amount of the employee’s contribution.</p>
A housing fringe benefit will arise except where an exemption applies.			

ENTERTAINMENT LEASING FACILITY EXPENSES			
	Y	N	
» <b>Did an entertainment leasing facility expense fringe benefit arise?</b>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Expenses, or parts of expenses, that are not entertainment facility leasing expenses for these purposes are:</p> <ul style="list-style-type: none"> <li>• expenses attributable to providing food or beverages, and</li> <li>• expenses attributable to advertising that would be an allowable income tax deduction.</li> </ul>
» <b>Has entertainment been provided to an employee (or their associate) by way of the employer incurring “entertainment leasing facility expenses”?</b>	<input type="checkbox"/>	<input type="checkbox"/>	
This includes the hire or leasing of a corporate box, boats or planes or “other premises or facilities” for providing entertainment.			

TAX-EXEMPT BODY ENTERTAINMENT FRINGE BENEFITS			
	Y	N	
» <b>Does a tax-exempt body entertainment fringe benefit arise?</b>	<input type="checkbox"/>	<input type="checkbox"/>	<p><b>Calculation of taxable value</b></p> <p>Equal to the expenditure incurred in the provision of the entertainment.</p> <p><b>Reduction in taxable value</b></p> <p>» <b>Did the employee contribute towards the provision of the benefit?</b> <input type="checkbox"/> <input type="checkbox"/></p> <p>Reduce the taxable value by the amount of the employee’s contribution.</p> <p><b>Exemption</b></p> <p>» <b>Is the minor benefits exemption under s58P FBT Act applicable?</b> <input type="checkbox"/> <input type="checkbox"/></p>
» <b>Has entertainment been provided to an employee by a tax-exempt body (an organisation that is wholly or partially exempt from tax)?</b>	<input type="checkbox"/>	<input type="checkbox"/>	
<p>A charity must be endorsed in order to be income tax-exempt.</p> <p>Where this is the case, a separate category of fringe benefit arises (referred to as a “tax-exempt body entertainment fringe benefit”). It is only non-deductible entertainment that falls within this category of benefit (eg, a meal at a party). Refer to TR 97/17 for further guidance.</p> <p>A tax-exempt body is an entity which is either:</p> <ul style="list-style-type: none"> <li>• wholly exempt from income tax (eg, a club that earns income from members only), or</li> <li>• partially exempt from income tax (eg, a club that earns income from both members and non-members).</li> </ul>			

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PROPERTY FRINGE BENEFITS			
	Y	N	
» <b>Does a property fringe benefit arise?</b>	<input type="checkbox"/>	<input type="checkbox"/>	» <b>Is an exemption available for the provision of:</b>
» <b>Was any property provided in respect of an employee's employment?</b>	<input type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> <li>• membership fees and subscriptions to:                             <ul style="list-style-type: none"> <li>• a trade or professional journal</li> <li>• use of a corporate credit card, or</li> <li>• an airport lounge membership</li> </ul> </li> <li>• newspapers and periodicals to employees for business purposes, or</li> <li>• expenses relating to emergency assistance such as:                             <ul style="list-style-type: none"> <li>• first aid or other emergency health care</li> <li>• emergency meals, food supplies, clothing, accommodation, transport or use of household goods</li> <li>• temporary repairs, and</li> <li>• any similar matter?</li> </ul> </li> </ul>
Property includes both tangible and intangible property eg, goods, shares and real property.			<input type="checkbox"/> <input type="checkbox"/>
<b>Exemption</b>			<input type="checkbox"/> <input type="checkbox"/>
» <b>Is the minor benefits exemption under s58P FBT Act applicable?</b>	<input type="checkbox"/>	<input type="checkbox"/>	
» <b>Is an exemption available for a work-related item which is used primarily in the employee's employment?</b>	<input type="checkbox"/>	<input type="checkbox"/>	
i.e. a portable electronic device (including mobile phones, laptops and tablet pcs), briefcase, tool of trade or an item of computer software, or protective clothing.			<input type="checkbox"/> <input type="checkbox"/>

RESIDUAL FRINGE BENEFITS			
	Y	N	
» <b>Does a residual fringe benefit arise?</b>	<input type="checkbox"/>	<input type="checkbox"/>	» <b>Is an exemption available for a work-related item which is used primarily in the employee's employment?</b>
» <b>Has a fringe benefit been provided by an employer to an employee which does not fall within any other specific fringe benefit category in the FBT Act?</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
<b>Exemption</b>			i.e. a portable electronic device (including mobile phones, laptops, tablet, PC), briefcase, tool of trade or an item of computer software, or protective clothing.
» <b>Is the minor benefits exemption under s58P FBT Act applicable?</b>	<input type="checkbox"/>	<input type="checkbox"/>	Employers who are eligible small businesses (ie, aggregated annual turnover of less than \$50 million), can provide multiple work-related portable electronic devices.

FBT REBATE			
	Y	N	
» <b>Are you a rebatable employer?</b>	<input type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> <li>• organisations established to promote the development of information and communications technology resources, and</li> <li>• organisations established to promote the development of agricultural (etc), fishing, manufacturing or industrial resources.</li> </ul>
Certain non-government, non-profit organisations are eligible for the FBT rebate. These include:			Endorsement for FBT rebatable status is required from the ATO for charities.
<ul style="list-style-type: none"> <li>• certain religious, educational, charitable, scientific or public educational institutions</li> <li>• trade unions and employer associations</li> <li>• organisations established to encourage music, art, literature, science, a game, a sport or animal races</li> <li>• organisations established for community service purposes</li> <li>• organisations established to promote the development of aviation or tourism</li> </ul>			Reduce FBT liability by a rebate equal to 47% of the gross liability subject to a capping threshold. The capping threshold is \$30,000 per employee per FBT year.
			The full capping threshold applies for the FBT year even if the employee was not employed by the organisation for the full year.

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