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FBT rebate

The FBT rebate is an entitlement to a rebate equal to a percentage of the gross FBT payable, subject to a capping threshold.

Organisations that qualify for a FBT rebate are referred to as 'rebatable employers'.

Rebatable employers are entitled to have their liability reduced by a rebate equal to:

- 48% of the gross FBT payable, subject to a \$30,000 capping threshold for the 2015 and earlier FBT years
- 49% of the gross FBT payable, subject to a \$31,177 capping threshold for the 2016 and 2017 FBT years
- 47% of the gross FBT payable, subject to a \$30,000 capping threshold for the 2018 FBT year and onwards.

If the total grossed-up taxable value of fringe benefits provided to an employee is more than the capping threshold a rebate cannot be claimed for the FBT liability on the excess amount. The capping threshold applies even if the rebatable employer did not employ the employee for the full FBT year. For example, if the total grossed-up value of benefits provided to an employee between October and March was \$15,000, a rebate applies to all of the FBT payable for providing these benefits.

Rebatable employers are certain non-government organisations. Organisations that qualify for the FBT rebate include:

- charities that are institutions
- certain scientific or public educational institutions
- trade unions and employer associations
- not-for-profit organisations established to encourage music, art, literature or science
- not-for-profit organisations established for musical purposes
- not-for-profit organisations established to encourage or promote a game, sport or animal races
- not-for-profit organisations established for community service purposes
- not-for-profit organisations established to promote the development of aviation or tourism
- not-for-profit organisations established to promote the development of Australian information and communications technology resources
- not-for-profit organisations established to promote the development of the agricultural, pastoral, horticultural, viticultural, aquacultural, fishing, manufacturing or industrial resources of Australia.

Charities that are institutions must be endorsed by us to access the FBT rebate. A condition of this endorsement is that the charity is exempt from income tax. In addition to our endorsement, charities, including religious institutions, need to be registered with the ACNC to access the FBT rebate.

The FBT rebate is **not** available to:

- charities that are not institutions*
- charities that are institutions established by a law of the Australian Government, a state or a territory - examples are public universities, public museums and public art galleries*
- public benevolent institutions and health promotion charities - these organisations are eligible for the FBT exemption.

*These charities may be eligible for the FBT rebate for a limited period from 3 December 2012.

The other organisations that qualify for the FBT rebate are not charities. They can self-assess their entitlement provided they are exempt from income tax.

See also:

- [Non-profit organisations and FBT \(/law/view/document?DocID=SAV/FBTGEMP/00007&PiT=99991231235958/\)](#)
- [Tax concession charity \(TCC\) endorsement \(/Non-profit/Getting-started/Getting-endorsed/Is-my-organisation-eligible-for-charity-tax-concessions-/\)](#)
- [Income tax exempt organisations \(/Non-profit/your-organisation/do-you-have-to-pay-income-tax-/income-tax-exempt-organisations/\)](#)

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We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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