**Australian Government**
**Australian Taxation Office**

# FBT - how to complete your activity statement labels

Fringe benefits tax (FBT) is a tax employers pay on certain benefits they provide to their employees, including their employees' family or other associates. The benefits may be in addition to, or part of, their salary or wages package. FBT is separate from income tax.

To pay the instalment amount, complete the following labels:

- F1 – ATO instalment amount
- 6A – FBT instalment

If you want to vary your FBT instalment, also use:

- F2 – Estimated FBT for the year
- F3 – Varied amount for the quarter
- F4 – Reason code for variation
- 6B – Credit from FBT instalment variation

## F1 – ATO instalment amount

If you pay FBT quarterly, a pre-determined instalment will be shown at **F1**.

We calculate the amount at **F1** based on the FBT payable on your most recent FBT assessment. If you think that using the amount displayed at **F1** will result in you paying more (or less) than your expected FBT liability for the year, you can vary it.

If you are not varying your instalment amount, copy the amount at **F1** to **6A** in the **Summary** section of your business activity statement (BAS).

## F2, F3, F4 – Varying your instalment amount

If you want to vary the amount displayed at **F1**, you'll need to complete labels **F2**, **F3** and **F4**.

If you vary your instalment amount and your total instalments for the year – or the estimates that you base them on – are less than 90% of your actual FBT liability for the year, you may incur a penalty.

## F2 – Estimated FBT for the year

Include at **F2** your estimate of your total FBT liability for the FBT year ending 31 March.

## F3 – Varied amount for the quarter

Work out the amount of your varied FBT instalment for the quarter using the following formula:

(**F2** amount **x** relevant percentage) **minus** (previous instalment liabilities less any previous credits claimed)

The relevant percentage depends on the FBT quarter in which you are varying the instalment amount:

| Quarter ending | Relevant percentage |
|---|---|
| 30 June | 25% |
| 30 September | 50% |
| 31 December | 75% |
| 31 March | 100% |

If the result is a positive amount, enter it at **F3**. If it's a negative amount or zero, enter '0' at **F3**.

If it's a negative amount, you may want to claim a credit at **6B** in the 'summary' section. Don't show a minus sign at **6B**.

## F4 - Reason code for variation

If you've varied your FBT instalment amount, you need to tell us why. Choose the reason from the table below, and enter the corresponding code at **F4**.

| Reason | Code |
|---|---|
| Current business structure not continuing | 22 |
| Change in fringe benefits for employees | 30 |
| Change in employees with fringe benefits | 31 |
| Fringe benefits rebate now claimed | 32 |

## 6A - FBT instalment

If you're using the FBT instalment amount displayed at F1, copy this amount to **6A**.

If you've varied your FBT instalment amount for the quarter, copy the FBT instalment amount you wrote at **F3** to **6A**.

## 6B - Credit from FBT instalment variation

If you vary your estimated FBT for the year to an amount lower than the FBT you had to pay last year, you may get an FBT instalment credit. You should take this credit into account when working out any amount payable. The credit is only available where the calculation of the **F3** amount gives a negative amount.

**Example varying your FBT instalment**

In the quarter ending 31 December, the amount of $10,000 is displayed on your BAS at **F1**. This results in a notional FBT amount of $40,000 for the year - that is, $10,000 x four quarters.

**Step 1:** You estimate that your FBT liability for this year will reduce to $28,000, as several employees have left and will not be replaced.

**Step 2:** Enter your estimated annual FBT amount of 28,000 at **F2**.

**Step 3:** As this is the quarter ending 31 December the relevant percentage is 75%. Use the formula:

(**F2** amount x 75%) - (previous instalments liabilities - any previous credits claimed)

| |
| --- |
| ($28,000 x 75%) - ($20,000 - 0) |
| = $21,000 - $20,000 |
| = $1,000. |

Enter the figure of 1,000 at **F3** on your BAS, and then copy it to **6A** in the summary section of your BAS.

**Step 4:** To advise us of your reason for varying, choose the reason code (**F4**) which is closest to your circumstances. Enter this code at **F4**.

In this example, the best choice is 'change in employees with fringe benefits: Code 31'.

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