

Fringe Benefits Tax (FBT) 2024

FBT Season 2024

- **Electric Vehicles and FBT Exemption:**
 - From July 1, 2022, electric vehicles have been exempted from FBT, provided they meet specific criteria such as being zero or low emissions vehicles and not subject to Luxury Car Tax (LCT) at any point.
 - This exemption encompasses associated car expenses, although home charging stations are considered a separate fringe benefit.
- **Second-Hand Electric Vehicles:**
 - The exemption's applicability to second-hand electric vehicles raises questions about the initial holding and usage period and LCT applicability. Employers should make reasonable efforts to gather supporting records or use registration details as an estimate.
- **Employer Steps for Electric Vehicle FBT Exemption:**
 - Employers must calculate the notional taxable value of the benefit for reporting purposes and include it on the employee's income statement if it exceeds \$2,000 in an FBT year.

EV Home Charging Rate:

The ATO has released Practical Compliance Guideline PCG 2024/2, which introduces a 4.2 cents per kilometre rate for calculating home electric vehicle charging costs. This rate applies to purely electric vehicles and not to plug-in hybrids or other electric transport modes.

Car Parking Benefits:

Recent updates to the ATO's guide reflect a broader interpretation of "commercial parking station" and provide additional guidance on the "primary place of employment" and what constitutes a benefit "in respect of employment."

Case and Legislative Updates:

- The Bechtel Australia Pty Ltd case has implications for the taxable value of travel expenses for FIFO workers, with the court's decision pending.
- New legislation allows employers to use alternative records for FBT returns starting from the 2025 FBT year.

Common Errors:

- Common FBT reporting errors highlighted by the ATO concern vehicle benefits and calculations, employee contributions, and reportable fringe benefits amounts as well as failing to identify benefits and maintaining proper records.

FBT Returns Deadlines for 2024:

- Paper lodgments are due by May 21, 2024, while electronic submissions via tax agents have a deadline of June 25, 2024.

Further information links, see atotaltaxrates.info/FBT