



Take full advantage

## PACK FACT

### HOW FRINGE BENEFITS TAX IS CALCULATED ON MOTOR VEHICLES FOR STATUTORY METHOD

Fringe Benefits Tax (FBT) is charged on all Motor Vehicles included in your salary package over the FBT year.

The FBT year runs from 1 April to 31 March and the tax is payable on 31 March.

To calculate the FBT payable on your Motor Vehicle using the Statutory Method, a formula set by the Australian Taxation Office is used:

$$\text{FBT Payable} = \text{Purchase Price} \times \text{Statutory Rate} \times \text{Gross Up Factor} \times \text{FBT Rate}$$

**Purchase Price** = Cost price of vehicle (excluding stamp duty, registration and fleet discount but including dealer delivery and GST).

**Statutory Rate** = Based on the number of kilometres you will travel within the FBT year

0kms - 14,999kms	=	26%
15,000kms - 24,999kms	=	20%
25,000kms - 40,000kms	=	11%
40,001kms - and above	=	7%

**Gross Up Factor** = 2.0647 for Leases where GST is payable  
1.8692 for Leases where GST is not payable

**FBT Rate** = 46.5%

#### Example:

Purchase Price of Vehicle: \$25,000.00

Distance travelled: 16,000. Kms → Statutory Rate = 20%

Lease Type: Novated

FBT Payable = \$25,000.00 x 20% x 2.0647 x 46.5%  
= \$4800.43

#### DISCLAIMER

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