



Take full advantage

PACK FACT

Motor Vehicle Unavailability and FBT

If you do not have use of your vehicle for a period of time, you may be able to declare unavailability. The employee's FBT liability will be then reduced by any days deemed as being unavailable.

This will only be the case if:

- The vehicle must be garaged on company owned or leased premises; AND
 - The employer removes the control of the vehicle from the employee (eg. holds the keys) and ensures the vehicle is not available for private use by the employee or a family member of the employee.
- OR
- The vehicle is being repaired and you do not have access for at least a 24 hour period.

Unavailability cannot be claimed if the motor vehicle is in safe storage or in long-term car parking (eg: airport) while the driver is on an interstate or overseas business trip or on holiday.

Unavailability can only be recorded as whole days.

It is important to note that, **regardless of any unavailability, you still must reach your required kilometres by the end of the FBT year** or your FBT liability may in fact be higher.

An employee's FBT liability is determined by the following formula:

$$\text{* FBT liability} = \frac{\text{Purchase Price} \times \text{Statutory Rate} \times \text{Gross Up} \times 46.5\% \times \text{Number of days that vehicle was available for use}}{365}$$

Example:

Julie purchased a vehicle for \$34,000 and packaged it on 1 April 2006, the start of the FBT year. The initial odometer was 0 kilometres and Julie budgeted to travel 25,000 kilometres per annum.

$$\begin{aligned} \text{As a result, Julie's budgeted FBT liability} &= \$34,000 \times 11\% \times 2.0647 \times 46.5\% \\ &= \$3,590.72 \end{aligned}$$

Suppose Julie was working interstate and her vehicle was held on her employer's premises from 01 June 2006 – 30 June 2006 (30 days deemed to be unavailable) and that Julie travelled 26,108 kilometres in the FBT year.

$$\begin{aligned} \text{Julie's FBT liability as at 31 March 2007, the end of the FBT year, would be determined as follows:} \\ &= \$34,000 \times 11\% \times 2.0647 \times 46.5\% \times (365 - 30)/365 \\ &= \$3,295.59 \end{aligned}$$

$$\begin{aligned} \text{Julie's FBT liability payable from her package for the FBT year will be reduced by } & \$3,590.72 - \$3,295.59 \\ &= \$295.13 \end{aligned}$$

** For additional information on the Statutory Formula method of calculating the FBT rate, refer to Pack Fact – How Fringe Benefits Tax is Calculated on Motor Vehicles.*

DISCLAIMER

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