



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 = 20%

Gross Up Factor = 2.0802 for Leases where GST is payable
1.8868 for Leases where GST is not payable

FBT Rate = 47% (as at 2017 FBT year)

Example:

Purchase Price of Vehicle: \$25,000.00 (purchased pre 11th May 2011)

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

Lease Type: Novated

FBT Payable = \$25,000.00 x 20% x 2.0802 x 47%
= \$4888

DISCLAIMER

The information supplied on this page is provided as an information guide only. It contains Remunerator (Aust) Pty Ltd ACN 074 423 966 interpretation of the current Tax Legislation which is subject to change at any time without notice and should not be relied on as a substitute for legal or other professional advice. Example uses income tax rates effective 1st July 2104.

Issued: March 17