



PS LA 2002/7 - Amendment of an employer's fringe benefits tax assessment which requires an adjustment to a previously advised reportable fringe benefits amount

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Practice Statement Law Administration

PS LA 2002/7

This law administration practice statement is issued under the authority of the Commissioner and must be read in conjunction with Law Administration Practice Statement [PS LA 1998/1](#). ATO personnel, including non ongoing staff and relevant contractors, must comply with this law administration practice statement, unless doing so creates unintended consequences or is considered incorrect. Where this occurs, ATO personnel must follow their business line's escalation process.

SUBJECT: Amendment of an employer's fringe benefits tax assessment which requires an adjustment to a previously advised reportable fringe benefits amount

PURPOSE: To advise the ATO's administrative practice where there is an understatement of the reportable fringe benefits amount in an employee's payment summary which is \$195 or less.

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STATEMENT

1. Where:
 - due to the fact that an employer's FBT assessment has been amended subsequent to the employer issuing payment summaries (or group certificates for the year ended 30 June 2000) to its employees for the relevant year; and
 - those payment summaries issued to employees have an understated reportable fringe benefits amount,

the employer has not satisfied the requirements of paragraph 16-155(2)(b) of Schedule 1 of the *Tax Administration Act 1953*.
2. Nevertheless, where the reportable fringe benefits amount understatement in an employee's payment summary is \$195 or less, the Commissioner will accept that paragraph 16-155(2)(b) has been complied with, unless the Commissioner is of the view that the employer has deliberately understated the amount of fringe benefits provided to its employees.

EXPLANATION

3. As from 1 April 1999, employers are required to include on an employee's payment summary (or group certificate) the reportable fringe benefits amount that relates to the employee for the relevant year: see paragraph 16-155(2)(b).
4. However, having regard to the significant compliance costs that may be incurred by an employer to remedy the issue of payment summaries that do not include the correct reportable fringe benefits amount in the situation outlined, the Commissioner will accept that the employer has satisfied the requirements of paragraph 16-155(2)(b) if, as a result of such an inadvertent error, a payment summary understates an employee's reportable fringe benefits amount by \$195 or less.

Amendment history

Date of amendment	Part	Comment
9 April 2014	Contact details	Updated.

Subject references	FBT Reportable Fringe Benefits
Legislative references	TAA 1953 Sch 1 16-155(2)(b)
File references	2002/001983
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