



Taxation Determination

Fringe benefits tax: for the purposes of Division 7 of the *Fringe Benefits Tax Assessment Act 1986* (FBTAA), what amount represents a reasonable food component of a living-away-from-home allowance for expatriate employees for the fringe benefits tax year commencing on 1 April 2001?

Preamble

*The number, subject heading, date of effect and paragraphs 1 and 2 of this Taxation Determination are a 'public ruling' for the purposes of Part IVAAA of the **Taxation Administration Act 1953** and are legally binding on the Commissioner. The remainder of the Determination is administratively binding on the Commissioner. Taxation Rulings TR 92/1 and TR 97/16 together explain how a Determination is legally or administratively binding.*

Date of Effect

This determination applies for the FBT year commencing on 1 April 2001. However, this Determination does not apply to taxpayers to the extent that it conflicts with the terms of settlement of a dispute agreed to before the date of the Determination (see paragraphs 21 and 22 of Taxation Ruling TR 92/20).

1. The reasonable food component for the fringe benefits tax year commencing on 1 April 2001, as shown below, has been calculated by reference to the 1998-99 Household Expenditure Survey (HES) conducted by the Australian Bureau of Statistics. The HES has been indexed to take into account movements in the food sub-group of the Consumer Price Index since the survey was completed.

	per week
One adult	\$154
Two adults	\$247
Three adults	\$278
Two adults and one or two children	\$278
Two adults and three children	\$324
Three adults and one child	\$324
Three adults and two children	\$370
Four adults	\$370
('Adults' for this purpose are persons aged 12 years or more).	

2. In relation to larger family groupings, we accept a food component based on the above figures plus \$93 for each additional adult and \$46 for each additional child.

3. This Determination is intended to be read in conjunction with Taxation Ruling MT 2040. MT 2040 sets out the amounts that represent a reasonable food component of living-away-from-home allowances received by expatriate employees during their term of employment in Australia for the FBT years ended 31 March 1987 and 1988. Indexed amounts for subsequent years are provided in MT 2043, MT 2045, MT 2047, MT 2051, TD 93/41, TD 94/23, TD 95/55, TD 96/25, TD 97/9, TD 98/7, TD 1999/3 and TD 2000/21.

4. While this Determination will apply to the majority of cases, it will be open, of course, to any individual expatriate employee to establish a higher level of spending by reference to receipts or detailed records maintained for such period, e.g., 12 weeks, as would be sufficient to reflect a long-term expenditure pattern.

Example

Bob and his wife and five children (all under 12 years of age) are temporarily living in Australia while Bob is working on a project for his employer (an overseas company). Bob is in receipt of a living-away-from-home allowance. The amount that is considered to be a reasonable food component of the allowance for the year commencing 1 April 2001 is \$416 per week (i.e., 324 plus \$92).

Commissioner of Taxation

26 April 2001

Previous draft:

Not previously issued in draft form

Related Rulings/Determinations:

MT 2040; MT 2043; MT 2045; MT 2047; MT 2051; TD 93/41; TD 93/230; TD 94/23; TD 95/55; TD 96/25; TD 97/9; TD 98/7; TD 1999/3; TD 2000/21

Subject references:

- fringe benefits tax;
- living-away-from-home allowance

Legislative references:

- FBTAA 1986 Pt VIIA Div 7

ATO references:

NO T2000/007532

BO

FOI Index details: I 1024838

ISSN: 1038-8982