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## Taxation Determination

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Fringe benefits tax: For the purposes of Division 7 of the *Fringe Benefits Tax Assessment Act 1986*, 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 2004?

### *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.*

1. The amounts listed below are acceptable as a food component for the fringe benefits tax (FBT) year commencing 1 April 2004. The amounts result from the indexation of the previous year's food component.

	<b>per week</b>
One adult	\$176
Two adults	\$282
Three adults	\$318
Two adults and one or two children	\$318
Two adults and three children	\$370
Three adults and one child	\$370
Three adults and two children	\$423
Four adults	\$423

(‘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 \$107 for each additional adult and \$53 for each additional child.

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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, TD 2000/21, TD 2001/5, TD 2002/9 and TD 2003/5.

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, for example 12 weeks, as would be sufficient to reflect a long-term expenditure pattern.

## Example

5. *Bob and his wife and their 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 2004 is \$476 per week (that is, \$370 plus \$106).*

## Date of effect

6. This Determination applies to the FBT year commencing on 1 April 2004.

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## Commissioner of Taxation

31 March 2004

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### *Previous draft:*

Not previously released in draft form

### *Related Rulings/Determinations:*

TR 92/1; TR 92/20; TR 97/16; MT 2040; MT 2030; TD 93/230

### *Previous Rulings/Determinations:*

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; TD 2000/21; TD 2001/5; TD 2002/9; TD 2003/5

### *Subject references:*

- Fringe benefits tax
- living-away-from-home-allowance
- reasonable food component

### *Legislative references:*

- TAA 1953 Part IVAAA
- FBTA 1986 Div 7

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### ATO references

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