



***TD 2006/23 - Fringe benefits tax: for the purposes of Division 7 of Part III 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 2006?***

 This cover sheet is provided for information only. It does not form part of *TD 2006/23 - Fringe benefits tax: for the purposes of Division 7 of Part III 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 2006?*

 This document has changed over time. This is a consolidated version of the ruling which was published on *12 July 2006*



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## Taxation Determination

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Fringe benefits tax: for the purposes of Division 7 of Part III 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 2006?

**1 This Ruling provides you with the following level of protection:**

This publication (excluding appendixes) is a public ruling for the purposes of the *Taxation Administration Act 1953*. A public ruling is an expression of the Commissioner's opinion about the way in which a relevant provision applies, or would apply, to entities generally or to a class of entities in relation to a particular scheme or a class of schemes. If you rely on this ruling, we must apply the law to you in the way set out in the ruling (or in a way that is more favourable for you if we are satisfied that the ruling is incorrect and disadvantages you, and we are not prevented from doing so by a time limit imposed by the law). You will be protected from having to pay any underpaid tax, penalty or interest in respect of the matters covered by this ruling if it turns out that it does not correctly state how the relevant provision applies to you.

[Note: This is a consolidated version of this document. Refer to the Tax Office Legal Database (<http://law.ato.gov.au>) to check its currency and to view the details of all changes.]

### Ruling

1. The amounts listed below are acceptable as a food component for the fringe benefits tax (FBT) year commencing 1 April 2006. The amounts have been calculated by reference to the 2003-04 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.

	<b>per week</b>
One adult	\$191
Two adults	\$306
Three adults	\$344
Two adults and one or two children	\$344
Two adults and three children	\$401
Three adults and one child	\$401
Three adults and two children	\$458

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Four adults

\$458

(‘Adults’ for this purpose are persons who had attained the age of 12 years *before* the beginning of the FBT year.)

2. In relation to larger family groupings, we accept a food component based on the above figures plus \$115 for each additional adult and \$57 for each additional child.

### **Example**

3. *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 2006 is \$515 per week (that is, \$401 plus \$114).*

### **Date of effect**

4. This Determination applies to the FBT year commencing on 1 April 2006.

**Note:** the Addendum to this Ruling that issued on 12 July 2006 applies on and from 12 July 2006.

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**Commissioner of Taxation**

5 April 2006

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## Appendix 1 – Explanation

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**❶** *This Appendix is provided as information to help you understand how the Commissioner's view has been reached. It does not form part of the binding public ruling.*

### Explanation

5. 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, TD 2003/5, TD 2004/8 and TD 2005/12.

6. 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.

## References

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*Previous draft:*

Not previously issued as a draft

TD 2001/5; TD 2002/9; TD 2003/5;  
TD 2004/8; TD 2005/12

*Related Rulings/Determinations:*

MT 2040

*Subject references:*

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

*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;

*Legislative references:*

- FBTA 1986 Pt III Div 7
- TAA 1953

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ATO references

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