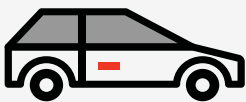


Calculating your FBT – a comparison of methods

Australia's Fringe Benefit Tax (FBT) laws have changed and the method you use now makes a big difference to how much FBT you pay on your fleet vehicles.

Check out this comparison of the two methods based on a \$50,000 vehicle being used privately 20% of the time, with annual operating costs of \$10,000.



\$50,000
Vehicle Value

\$10,000
Annual Operating Costs

20%
Private Use

STATUTORY FORMULA METHOD

$$((A \times B \times C) \div D) - E$$

$$((\$50,000 \times 20\% \times 365) \div 365) - \$0$$

FBT cost = \$10,000

A the base value of the car

B the applicable statutory percentage – normally 20%

C the number of days in the FBT year when the car was available for private use to employees

D the number of days in the FBT year (365, or 366 in a leap year)

E the employee contribution

OPERATING COST METHOD

$$(A \times B) - C$$

$$(\$10,000 \times 20\%) - \$0$$

FBT cost = \$2,000

A the total operating costs

B the percentage of private use

C the employee contribution

The above table shows a potential saving of **\$8,000** simply by using the operating cost method.

Want to know more about how technology, such as [EROAD's electronic FBT Logbook](#), can save you time and money on your FBT?

[Download our free report](#)



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