



What is Fringe Benefits Tax (FBT)?

FBT is the tax typically covered by your employer for any additional benefits you receive as an employee, alongside your regular wages or salary. FBT is applicable to Novated Lease vehicles, with the exception of zero or low-emission vehicles that qualify for FBT exemption.

FBT exempt but Reportable Fringe Benefits

While zero or low-emission vehicles under the Luxury Car Tax (LCT) threshold are exempt from FBT, your employer will still factor in the value of this benefit when calculating your Reportable Fringe Benefits Amount (RFBA).

Although the RFBA isn't directly added to your taxable income or Medicare levy, it is considered for Medicare levy surcharge liability and is included in income tests for family assistance, child support assessment, and various other government benefits and obligations.

S.P.A strongly recommended consulting with financial and tax professionals to determine if this product aligns with your individual needs and circumstances.

Home Charging Units & Installation Costs

The installation of a charging station at an employee's residence constitutes a distinct property or expenses fringe benefit and is not considered part of the car benefit. Therefore, the FBT exemption for electric vehicles cannot be extended to cover home charging stations.

Claiming Electric Vehicle Charging Costs

The ATO have released three methods for claiming the electricity costs of home charging your zero emissions vehicle. According to the compliance guidelines (PCG 2024/2.) These methods are as follows:

1. Claim the home charging costs

How to calculate and claim for the home charging costs:

\$0.042 per kilometer travelled is applicable to FBT year or Income year commencing on or after 1st of April 2022. Simply submit your request by sending us a photo of your odometer reading. We will calculate the claimable amount by applying 4.2 cents per kilometre travelled. *Conditions apply

2. Claim the commercial charging station costs

How to calculate and claim for the commercial charging costs:

Submit your request by sending us the tax receipt for proof of payment. Expenses paid will be reimbursed to you.

*Conditions apply

3. Apply to reduce Reporting Fringe Benefit Amount (RFBA)

How to apply to reduce RFBA:

Simply submit your request by sending us a photo of your odometer reading. We will then calculate the unclaimed amount to reduce the RFBA.

If your zero-emissions vehicle can precisely monitor the percentage of its total charge, factoring in different charging locations, then your electric vehicle charging expenses can cover both home charging (option 1) and usage at commercial stations (option 2).

***Conditions: Charging costs must be included in the running costs budget and sufficient salary packaging account balance is necessary.**

DISCLAIMER: The implications of salary packaging a motor vehicle through a novated leasing arrangement, including tax savings will depend on your individual circumstances. The information in this publication has been prepared by Salary Packaging Australia for general information purposes only, without taking into consideration any individual circumstances. Salary Packaging Australia and the Queensland Government recommend that before acting on any information or entering into a novated leasing arrangement, you should consider your objectives, financial situation and needs, and, take the appropriate legal, financial or other professional advice based upon your own particular circumstances. You should also read the Standard Novation Agreement, Salary Packaging Participation Agreement and the relevant Queensland Government Salary Packaging and Novated Leasing Information Booklets and Fact Forms available via the Queensland Government Arrangements Directory. The Queensland Government strongly recommends that you obtain independent financial advice prior to entering into, or changing the terms of, a salary packaging arrangement.