



October 2012

CARS ON THE ATO RADAR

This financial year the Australian Taxation Office will be conducting a campaign to make sure employers who have purchased a car during the 2011 and/or 2012 fringe benefits tax (FBT) year are aware that they may have FBT obligations.

Data that they have obtained from various motor vehicle registering bodies has assisted them in identifying employers who have purchased a business registered vehicle but have not registered for FBT.

The same will apply for motor vehicles which were purchased prior to this time and are registered for business purposes when paying the annual registration for the vehicle.



The ATO are highlighting that:

- If a car is garaged at home, it is taken to be available for private use.
- Businesses with delivery cars, which are taken home each night, will be taken to be available for private use and also be subject to FBT.
- If an employer makes a car available to their employees for private use, they will most likely be subject to FBT.
- As a general rule, travel to and from work is considered to be private use of a vehicle.
- There are only limited circumstances where an employee's private use of a car is exempt from FBT.

What records are required for FBT Car Benefits?

- A log book will need to be maintained continuously during the FBT year.
- Details of all relevant car expenses incurred during the FBT year will need to be tracked.
- Opening and closing odometer records each FBT year will need to be recorded including the number of days that the car was not available for private use (e.g. being repaired at the panelbeater)

Should you require any further information relating to FBT or any other matter, please do not hesitate to contact Michaela Hodgkinson or Priya Narsing at Marshall Michael on (08) 9322 6600.