

**2014 FBT Quality Control Disk**

**Statutory formula method worksheets**

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<b>Base value calculation worksheet for 2014 FBT year</b>			
<b>Car acquired <i>on or after</i> 1 July 2000</b>			
Make and model of car	_____		
Car registration	_____		
Cost price <sup>ⓐ</sup>		\$	_____
<b>Add:</b>	GST on cost price ( <i>regardless of whether input tax credit claimed</i> )		\$ _____
<b>GST-inclusive cost of car</b>			<b>\$ _____</b>
<b>Less:</b>	Employee payment or trade-in,		\$ _____
<b>Sub-total</b>			<b>\$ _____</b>
<b>Add:</b>	GST-inclusive cost of dealer and delivery charges		\$ _____
<b>Add:</b>	<b>GST-inclusive cost of non-business accessories</b> (added <b>at</b> , and <b>after</b> , acquisition) <sup>ⓑ</sup>		
	Air-conditioning	\$	_____
	Stereo	\$	_____
	Customised wheels	\$	_____
	Other _____	\$ _____	\$ _____
<b>Sub-total</b>			<b>\$ _____</b>
<b>Less:</b>	<b>Expenditure in respect of registration and transfer of car</b>		
	Registration costs		\$ _____
	Stamp duty on transfer		\$ _____
	Other _____	\$ _____	\$ _____
<b>Less:</b>	<b>One third reduction</b>		
	For cars held for at least four full FBT years (i.e., the car was originally acquired on or before 31 March 2009)		(\$ _____ )
<b>Base value of car for 2014 FBT year</b>			<b>\$ _____</b>

- ⓐ The arm's length purchase price of the car net of any purchase discount (e.g., fleet owner's discount).
- ⓑ It should be noted that the base value of a luxury car includes the GST-inclusive cost of the car, including luxury car tax (where applicable). That is, no reductions are made to the base value of a car that exceeds the income tax depreciation limit. See below for more details.
- ⓒ Do not include if paid for by the employee.

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<b>Base value calculation worksheet for 2014 FBT year</b>			
<b>Car acquired <i>before</i> 1 July 2000</b>			
<b>Make and model of car</b>	_____		
<b>Car registration</b>	_____		
<b>Cost price <sup>ⓐ</sup></b>			\$ _____
<b><u>Add:</u></b>	Wholesale sales tax on cost price		\$ _____
<b>Total cost of car</b>			\$ _____
<b><u>Less:</u></b>	Employee <i>payment</i> or <i>trade-in</i> ,		\$ _____
<b>Sub-total</b>			\$ _____
<b><u>Add:</u></b>	Cost of dealer and delivery charges		\$ _____
<b><u>Add:</u></b>	<b>Non-business accessories (added <i>at</i> acquisition) <sup>ⓑ</sup></b>		
	Air-conditioning	\$ _____	
	Stereo	\$ _____	
	Customised wheels	\$ _____	
	Other _____	\$ _____	\$ _____
<b>Sub-total</b>			\$ _____
<b><u>Less:</u></b>	<b>Expenditure in respect of registration and transfer of car</b>		
	Registration costs	\$ _____	
	Stamp duty on transfer	\$ _____	
	Other _____	\$ _____	\$ _____
<b><u>Less:</u></b>	Once only one-third reduction <sup>ⓒ</sup>		\$ _____
<b>Sub-total</b>			\$ _____
<b><u>Add:</u></b>	Non-business accessories (added <i>after</i> acquisition) <sup>ⓑ</sup>		\$ _____
<b>Base value of car for FBT</b>			\$ _____

- ⓐ The arm's length purchase price of the car, net of any purchase discount (e.g., fleet owner's discount).
- ⓑ Do **not** include if these are paid for by the employee.
- ⓒ This reduction **only** applies if, as at 1 April 2013, the car has been held by the employer for 4 whole FBT years. (i.e., the car was originally acquired on or before 31 March 2009).

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### Statutory formula method worksheet – Type 1 benefits

*This worksheet is to be used for cars where the employer was entitled to input tax credits with respect to providing the car fringe benefit.*

#### Item 23A of 2014 FBT Return Form For the FBT year of tax from 1 April to 31 March

##### Administrative details

Name of usual driver: \_\_\_\_\_

Make and model of car: \_\_\_\_\_

Registration number: \_\_\_\_\_

Date car first held: \_\_\_\_\_

##### Car usage information

Closing kilometres \_\_\_\_\_ kms

Opening kilometres - \_\_\_\_\_ kms

Total kilometres \_\_\_\_\_ kms

Days in FBT year x 365 days

Days car held in FBT year ÷ \_\_\_\_\_ days

Annualised kilometres \_\_\_\_\_ kms

##### FBT Calculation

Base value of car \$ \_\_\_\_\_

Statutory percentage x \_\_\_\_\_ %

Gross taxable value \$ \_\_\_\_\_

Days available for private use x \_\_\_\_\_ days

Days in FBT year ÷ 365 days

Sub-total \$ \_\_\_\_\_

Less: Employee contributions (\$ \_\_\_\_\_ )

**Taxable value of car benefit** \$ \_\_\_\_\_

**FBT gross-up** x **2.0647**

**Grossed-up taxable value (Item 14A)** \$ \_\_\_\_\_

**FBT rate** x **46.5%**

**FBT payable** \$ \_\_\_\_\_

## 2014 FBT Quality Control Disk

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### Statutory formula method worksheet – Type 2 benefits

*This worksheet is to be used for cars where the employer was not entitled to input tax credits with respect to providing the car fringe benefit.*

#### Item 23A of 2014 FBT Return Form For the FBT year of tax from 1 April to 31 March

##### Administrative details

Name of usual driver: \_\_\_\_\_

Make and model of car: \_\_\_\_\_

Registration number: \_\_\_\_\_

Date car first held: \_\_\_\_\_

##### Car usage information

Closing kilometres \_\_\_\_\_ kms

Opening kilometres – \_\_\_\_\_ kms

Total kilometres \_\_\_\_\_ kms

Days in FBT year x 365 days

Days car held in FBT year ÷ \_\_\_\_\_ days

Annualised kilometres \_\_\_\_\_ kms

##### FBT Calculation

Base value of car \$

Statutory percentage x \_\_\_\_\_ %

Gross taxable value \$

Days available for private use x \_\_\_\_\_ days

Days in FBT year ÷ 365 days

Sub-total \$

Less: Employee contributions (\$ \_\_\_\_\_ )

**Taxable value of car benefit** \$

**FBT gross-up** x **1.8692**

**Grossed-up taxable value (Item 14B)** \$

**FBT rate** x **46.5%**

**FBT payable** \$ \_\_\_\_\_

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### Base value checklist

*The following checklist outlines the procedures required to ensure the base value of each car is accurate, and that all supporting documentation is available before lodgment of the FBT return, in order to survive an FBT audit.*

Base value checklist – Component ‘A’	
Car registration number .....	
Name of usual driver of car (if any).....	
Procedure	Checked <i>(tick where appropriate)</i>
<b>Where car was first acquired in 2014 FBT year</b>	
1. Collect dealer invoices and other documentation that evidences the following:	
(a) Purchase price of car, net of any arm’s length fleet owner’s discount and/or trade-in by employee of their own car;	
(b) Stamp duty, registration, and dealer/delivery charges; and	
(c) Cost of non-business accessories fitted to car at time of purchase.	
2. Collect all lease and hire purchase documentation, where appropriate.	
3. Calculate the base value of the car, using the relevant NTAA <b>Base Value Calculation Worksheet</b> , and source documents, taking into account the following:	
(a) Ensure that stamp duty and registration costs <b>are excluded</b> ;	
(b) Ensure that dealer and delivery charges are <b>included</b> ;	
(c) Ensure the base value of a luxury car is <b>not</b> limited to \$57,466 for the 2014 financial year;	
(d) Ensure base value components are GST inclusive (where GST was payable);	
4. Where a novated lease has been transferred from another unrelated employer, use market value, as supported by arm’s length valuation, and <b>not</b> original base value.	
<b>Where car was first acquired before 2014 FBT year</b>	
1. Ensure all documentation exists to evidence the costs outline in 1. above;	
2. Collect all documentation (e.g., an invoice) to evidence the cost of any non-business accessories fitted to the car during the 2014 FBT year;	
3. Ensure all lease and hire purchase documentation is available, where appropriate;	

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**Base value checklist – Component ‘A’**

**Car registration number** .....

**Name of usual driver of car (if any)**.....

4. Re-calculate base value of the car, using the relevant **NTAA Base Value Calculation Worksheet**, and source documents, taking into account the following:

- (a) Points 3 (a) to (d) above;
- (b) Ensure sales tax inclusive base value is used if car acquired **before** 1 July 2000;
- (c) Ensure that one-third reduction only applies if, as at 1 April 2013, the car had been held for 4 whole FBT years (i.e., cars first held in 2009 FBT year will qualify – i.e., cars purchased on or before 31 March 2009);
- (d) Where the one-third reduction applies, ensure it is **not** applied to the cost of any non-business accessories fitted to the car after it was acquired; and
- (e) Where a previously leased car has been paid out or re-financed during the 2014 FBT year, ensure the original base value is used, and **not** market value

**Signature** .....

*(name of employee accountant/bookkeeper/fleet manager)*

**Dated this** ..... **day of**.....

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**Statutory percentage checklist**

*The following checklist will provide employers and tax practitioners with the correct procedures to ensure that the correct statutory percentage is identified, and that all supporting documentation is held by the employer to survive an FBT audit.*

Statutory percentage checklist – Component ‘B’	
Car registration number .....	
Name of usual driver of car (if any) .....	
Procedure	Checked/ reviewed <i>(tick, where appropriate)</i>
1. Ensure that opening and closing odometer readings have been recorded by the relevant driver (employee) or by the fleet manager (where appropriate) – use the recommended <b>Annual statutory formula declaration</b> for this purpose.	
2. Where odometer readings have <b>not</b> been recorded, ensure that acceptable documentation is available, as per TD 94/26, which evidences opening and closing odometer readings for the car.	
3. If the car was <i>first</i> or <i>last</i> held by the employer in the FBT year, ensure actual kilometres are annualised before determining statutory percentage.	
4. Ensure that the car’s kilometres are <b>not</b> annualised where the car was not available for private use at <i>any</i> time during the period it was held by employer in the FBT year.	
5. Determine (and record) the appropriate statutory percentage for the car, on the basis of the above information.	.....%
Signature ..... <i>(name of employee accountant/bookkeeper/fleet manager)</i>	
Dated this ..... day of .....	

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#### Number of days car fringe benefit provided checklist

*The following checklist will assist employers and tax practitioners, to identify the number of days in the FBT year, that a particular car is provided as a car fringe benefit, for the purposes of component 'C' of the Statutory formula.*

Number of days car fringe benefit provided in FBT year – Component 'C'	
<p><b>Car registration number</b> .....</p> <p><b>Name of usual driver of car (if any)</b> .....</p>	
Procedure	Checked/ reviewed <i>(tick, where appropriate)</i>
1. Was the car <i>first</i> or <i>last</i> held by the employer during the FBT year?	<b>Yes / No</b>
2. If <b>no</b> , go to question 3. If <b>yes</b> , ensure that sufficient documentation exists to evidence the date on which the car was first or last held by the employer (e.g., purchase or sale documentation, lease records (including lease payout documentation, where appropriate), or hire purchase documentation, whichever is appropriate.	
3. Determine whether, at any time during the FBT year that the car was held by the employer, the car was not available for the private use of an employee or their associate, taking into account the stringent criteria in <b>TD 94/16</b> .	
4. If it is identified that the car was not available for the private use of an employee, ensure that this can be fully supported by the employer, by reference to, for example: <ul style="list-style-type: none"> <li>• Employer's documented prohibition of private use policy;</li> <li>• The steps taken to consistently enforce such a policy (e.g., records of regular odometer checks); and</li> <li>• Correspondence between the employer and commercial storage facility (e.g., airport car park) or panel beaters.</li> </ul>	
5. On the basis of the above information, <b>determine (and record)</b> the number of days the car was used or available for the private use of an employee (i.e., the number of days in the FBT year that the car was provided as a fringe benefit).	.....Days
<p><b>Signature</b> .....</p> <p>..... <i>(name of employee accountant/bookkeeper/fleet manager)</i></p> <p><b>Dated this</b> ..... <b>day of</b> .....</p>	



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#### Employee contribution checklist

The following **employee contribution** checklist will assist employers and tax practitioners to correctly identify the reduction in the taxable value of a car fringe benefit on account of **employee contributions**, and to ensure that **all** supporting documentation is available to survive an FBT audit.

Employee contribution checklist for 2014 FBT year	
<p><b>Car registration number</b> .....</p> <p><b>Name of usual driver of car (if any)</b> .....</p>	
Procedure	Checked/ reviewed (tick, where appropriate)
<p>1. <b>Identify</b> and <b>record</b> the GST <i>inclusive</i> amount of <b>all car expenses</b> incurred/paid by the employee, <b>excluding</b> the following:</p> <ul style="list-style-type: none"> <li>• Car expenses reimbursed, or incurred, by the employer;</li> <li>• Road/bridge tolls and car parking expenses; and</li> <li>• Private expense items (e.g., cigarettes and confectionery).</li> <li>• <b>Amount</b> of <i>employee contributions</i> in the form of <b>car expenses</b> incurred by employee</li> </ul>	\$
<p>2. Identify and record the amount of <b>employee contributions</b> in the form of <b>after-tax</b> payments to employer for the car fringe benefit, taking into account the following:</p> <ul style="list-style-type: none"> <li>• That salary sacrifice amounts are not counted as employee contributions; and</li> <li>• For employee contributions made by journal entries, all the criteria in <b>MT 2050</b> must be satisfied, including correspondence between the employer and employee.</li> <li>• <b>Amount</b> of <b>employee contributions</b> in the form of <b>after-tax</b> payments to employer</li> </ul>	\$
<p>3. Ensure that <b>only</b> employee contributions in the form of <b>after-tax</b> payments to the employer are assessable income to, and trigger a GST liability for, the employer.</p>	
<p>4. Ensure that <b>all employee contributions</b> are supported by relevant documentation, generally as follows:</p> <ul style="list-style-type: none"> <li>• For car expenses (other than petrol) – A receipt/invoice containing: name of supplier, expense amount, nature of goods, and date;</li> <li>• For petrol expenses – A receipt/invoice or employee fuel expense declaration;</li> <li>• For direct payments to employer – Cash receipts journals; and</li> <li>• For payments to employer by journal entry under <b>MT 2050</b> – Journal entries and correspondence between the employer and the employee.</li> </ul>	
<p><b>Signature</b> .....</p> <p style="text-align: center;"><i>(name of employee accountant/bookkeeper/fleet manager)</i></p>	
<p><b>Dated this</b> .....day of .....</p>	