

Christmas Gifts - FBT, Tax & GST Implications

As with all tax rules and regulations, extra points for consideration do exist, so make sure you call G J Barnett & Associates on 02 9686 3130 to discuss your particular circumstances to avoid any fringe benefit tax traps at this time of year.

Type	Given To	FBT	Tax	GST
Non Entertainment Gifts , E.g.: Christmas Hampers, Wine, Gift Vouchers, Flowers, etc.	Employees and Associates	Fringe Benefit	Tax Deductible	Credit Claimable
	Non-employees (clients, suppliers, contractors, etc)	FBT Exempt	Tax Deductible	Credit Claimable
Entertainment Gifts , E.g.: Movie or Sporting Event Tickets, Holiday Accommodation, etc.	Employees and Associates	Fringe Benefit	Tax Deductible	Credit Claimable
	Non-employees (clients, suppliers, contractors, etc)	FBT Exempt	Non-Deductible	No Credit

Meal Entertainment & Christmas Gifts will not be subject to FBT if the Minor Benefits Exemption is applied.

Employers who provide Christmas functions for their employees should be aware that the ATO has changed its approach to applying the \$300 minor benefit exemption. If you provide a gift to your employee at or around the same time as the Christmas party, you no longer need to aggregate the costs of the function and the gift. This means that an employer may provide a Christmas gift to an employee costing up to \$300 and meal entertainment at a Christmas party up to \$300 and both benefits could qualify for the minor benefit exemption.

If the Minor Benefits Exemption applies, the expense will not be tax deductible and you cannot claim a GST credit.

ENQUIRIES

G J Barnett & Associates

Phone 02 9686 3130

Email glenn@gjbarnett.com.au

Extracted from G J Barnett & Associates 2013 FBT Help Guide