



Financial and Business Services Division

FBT Housing Benefits Guide

This guide is pursuant to the Fringe Benefits Tax operational policy and procedure.

GENERAL

- 1 General information on fringe benefits, how Fringe Benefits Tax (FBT) applies to the University and how it is processed is contained in the [Fringe Benefits Tax—General guide](#). The following guide must be used in conjunction with it.
- 2 Where the University grants an employee the right to use or occupy a unit of accommodation as their usual place of residence (such as a home), then the right to use or occupy that residence is a housing fringe benefit. If the employee is living away from home the benefit may be exempt (see paragraph 6).
- 3 The FBT Officer is to obtain the information needed (with the assistance of the residences manager) to calculate and charge FBT to the relevant budget centre at 31 March each year.

Defining 'Unit of Accommodation' and 'Usual Place of Residence'

- 4 A 'unit of accommodation' is given a broad meaning and, besides the more common types of accommodation (house, unit, flat); it includes mobile homes, caravans, hotels and floating structures.
- 5 For a housing fringe benefit to exist, the unit of accommodation provided to an employee must be the employee's 'usual place of residence'. Circumstances indicating what is likely to be treated as a usual place of residence are discussed in the ATO Miscellaneous Tax Ruling MT 2030.

Exemptions

- 6 Living away from home allowance (LAFHA) is an exempt benefit. LAFHA includes reasonable accommodation expenses and food costs (above the statutory rate up to the limit of the reasonable food component) provided to an employee whilst the employee is living away from home to perform employment duties.
- 7 Housing provided in remote areas of Australia is FBT exempt.

Taxable Value of the Benefit

- 8 The taxable value of non-remote housing (see paragraph 7) provided in Australia is simply the market value of the accommodation (or indexed market value), less any amount paid by the employee. In the first year (base year) in which the accommodation is provided, the market value of the accommodation must be obtained. A real estate agent may assist you with market valuation. The market value is then used as the taxable value. During the subsequent years the market value in the first year is indexed by multiplying the market value (or indexed market value) by the annual state housing index factor.
- 9 Indexing as outlined in paragraph 8 can only be continued for a maximum of nine years. Therefore, every tenth year must be a new base year, although it can be more often if the more recently determined market value is favourable. Also, a new valuation is required where additions, alterations or damage to the accommodation have the effect of altering the market rental value by at least 10%.
- 10 If the housing benefit was provided for only part of the year, the taxable value is apportioned on a time basis.