



SAMPLE LETTER ONLY

EMPLOYER PTY LTD
100 DOWN THE ROAD
AUSTRALIA

Our Reference: FBT AUDIT
Contact Officer: FBT Auditor
Phone: 13 28 69
Client ID: 11 111 111 111

23 August 2022

Our audit of Employer Pty Ltd has started

Dear Tax Agent / Public Officer,

During our phone call on 22 August 2022 we told you that we're doing an audit of your / your clients fringe benefits tax (FBT) obligations for the period 1 April 2019 to 31 March 2022. When we spoke to you, we asked you to check whether you / your client need to lodge an FBT return or FBT returns.

We've started an audit to determine if you're correctly meeting your FBT obligations for the period 1 April 2019 to 31 March 2022.

Why you have been selected

Our records show:

- › you have one or more motor vehicles registered in your name
- › you have not lodged FBT returns
- › you have not declared employee contributions in your tax returns

If we determine there are other items that need to be investigated, the audit will be expanded.

Based on times for similar reviews we intend to complete this audit by 17 December 2022 however this will depend on the specific details of your case

What you need to do

We would like to arrange a teleconference with you and your client during the week starting 19 September 2022.

You need to phone us on **13 28 69** between 8.00am and 5.00pm, Monday to Friday and ask for FBT Auditor on extension **99999** by 12 September 2022 to arrange a time.

If we do not hear from you by this date, we may progress the review based on the information we currently have.

You need to send us the following information by 6 September 2022:

1. Financial statements, including notes
2. Detailed tax reconciliation of accounting profit to taxable income, showing the breakdown of relevant items
3. Depreciation schedule showing itemised breakdown of motor vehicles you owned

NEED HELP?

If you have any questions, you can phone us on **13 28 69** between 8.00am and 5.00pm, Monday to Friday. Ask for FBT Auditor on extension **99999**.

Alternatively, you can email FBT Auditor on FBTAudit@ato.gov.au

You should be aware that the internet is not a secure environment. The ATO does not control the path of inbound and outbound emails, so the privacy of personal information sent by unencrypted email cannot be guaranteed. You should be aware of this risk if you choose email to communicate with the ATO and those communications include your personal details.

If you have been affected by COVID-19, bushfires or other disasters:

- › visit ato.gov.au/disasters
- › phone our Emergency Support Infoline on **1800 806 218**.

4. For each motor vehicle you owned or leased during 1 April 2019 – 31 March 2022

- a. purchase invoices or leasing documentation
- b. Services records
- c. Log book, if kept, including odometer readings
- d. Opening and closing odometer readings for each of the 2019-2022 FBT years
- e. Driver name
- f. Address where the motor vehicle was normally garaged
- g. Date the motor vehicle was sold, if applicable.

5. Detailed breakdown of motor vehicle expenses, including depreciation, interest and leasing charges

6. Leasing documentation for vehicles provided to employees under salary sacrifice arrangement, if applicable

7. General ledger for all shareholder, director and employee loan accounts, showing all debit and credit movements from the beginning to the end of the financial years

8. If the employees contributed towards the motor vehicle expenses,

- a. Details of the employee contributions, including journal entries and relevant general ledger accounts
- b. Did you report and remit GST on these contributions?

9. Any FBT working papers maintained for the 2019-2022 FBT years

10. Reason why you have not lodged FBT returns.

11. Completed **Fringe Benefits Tax - checklist of benefits** form

You can send this information by either:

- › logging into Online services for business via ato.gov.au/OSB
 - from the menu select **Communication** then **Secure mail**
 - select **New** with the **Topic: Fringe Benefits Tax (FBT)** and **Subject: Other**
 - attach your file, complete the declaration, and **Submit**

- › fax: **1300 999 999**

- › mail:

Attention: FBT Auditor
Australian Taxation Office
GPO BOX 9999
PERTH WA 6000

- › email: fbtauditor@ato.gov.au

You should be aware that the internet is not a secure environment. The ATO does not control the path of inbound and outbound emails, so the privacy of personal information sent by unencrypted email cannot be guaranteed. You should be aware of this risk if you choose email to communicate with the ATO and those communications include your personal details.

If the information is available on a storage device (for example CD, DVD, USB), also send to the above mail address. However, we won't be able to send them back to you.

FIND OUT MORE

You can find more information on our website:

- › ato.gov.au/FBTnonlodgmentnotice for non-lodgment advice or to cancel an FBT role
- › ato.gov.au/forms to locate any FBT related forms
- › ato.gov.au/FBTlodge for options on lodging an FBT return
- › ato.gov.au/CarFBTguide to understand a car fringe benefit
- › ato.gov.au/disputeresolution to dispute or object to an ATO decision

For information about your rights and obligations go to ato.gov.au/taxpayerscharter

If you have determined that you need to register for FBT and should have lodged returns, you can do this by:

- › lodging electronically from your accounting or payroll software if it's set up to use Standard Business Reporting. You can find more information at **sbr.gov.au**
- › lodging a paper return. You can order or download forms from our website. Go to **ato.gov.au/onlineordering** or **ato.gov.au/forms** and search for 'Fringe Benefits Tax
- › getting your tax agent to lodge it.

What to do if you find a mistake

You should review all your relevant records, FBT returns, tax returns and activity statements to work out if you have made any mistakes or left something out. If you find a mistake contact us straight away, and any penalty may be reduced. You can find more information on our website about:

- › voluntary disclosures at **ato.gov.au/voluntarydisclosure**
- › collecting your personal information at **ato.gov.au/privacy**

Yours faithfully,

FBT Auditor

Deputy Commissioner of Taxation