

Operating cost method worksheets

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Cost price calculation worksheet for 2014 FBT year			
Car acquired <i>on or after</i> 1 July 2000			
Make and model of car	_____		
Car registration	_____		
Cost price ^①			\$ _____
Add:	GST on cost price (<i>regardless of whether input tax credit claimed</i>)		\$ _____
GST-inclusive cost of car			\$ _____
Less:	Employee <i>payment or trade-in,</i>		\$ _____
Sub-total			\$ _____
Add:	GST-inclusive cost of dealer and delivery charges		\$ _____
Add:	GST-inclusive cost of non-business accessories (added at, and after, acquisition) ^②		
	Air-conditioning	\$ _____	
	Stereo	\$ _____	
	Customised wheels	\$ _____	
	Other _____	\$ _____	\$ _____
Sub-total			
Less:	Expenditure in respect of registration and transfer of car		
	Registration costs	\$ _____	
	Stamp duty on transfer	\$ _____	
	Other _____	\$ _____	\$ _____
Cost price of the car for FBT			\$ _____

- ① The arm's length purchase of the car, net of any purchase discount (e.g., fleet owner's discount).
- ② Do **not** include if paid for by the employee.

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Cost price calculation worksheet for 2014 FBT year			
Car acquired <i>before</i> 1 July 2000			
Make and model of car	_____		
Car registration	_____		
Cost price ^①			\$ _____
<u>Add:</u>	Wholesale tax on cost price		\$ _____
Total cost of car			\$ _____
<u>Less:</u>	Employee <i>payment</i> or <i>trade-in</i> ,		\$ _____
Sub-total			\$
<u>Add:</u>	Cost of dealer and delivery charges		\$
<u>Add:</u>	Non-business accessories (added <i>at</i> acquisition) ^②		
	Air-conditioning	\$	
	Stereo	\$	
	Customised wheels	\$	
	Other _____	\$ _____	\$ _____
Sub-total			\$
<u>Less:</u>	Expenditure in respect of registration and transfer of car		
	Registration costs	\$	
	Stamp duty on transfer	\$	
	Other _____	\$ _____	\$ _____
Sub-total			\$
<u>Add:</u>	Non-business accessories (added <i>after</i> acquisition) ^②		\$ _____
Cost price of the car for FBT			\$ _____

- ① *The arms's length purchase of the car, net of any purchase discount (eg, fleet owner's discount).*
- ② *Do not include if paid for by the employee.*

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Operating cost 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 23B 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: _____
 Registration number: _____
 Purchase date: _____
 Original cost: _____

Log book information

Opening odometer reading _____
 Closing odometer reading as at 31 March 2014 _____
 Total kilometres _____
 Number of days car held by employer _____
 Business use percentage _____ %

(Remember that the business use percentage must incorporate changes in the pattern of the use of the car during the FBT year of tax)

Calculation of FBT payable

Calculation of GST inclusive car expenses

Lease payments		\$ _____
Fuel and oil		\$ _____
Repairs and servicing		\$ _____
Registration		\$ _____
Insurance		\$ _____
Deemed: Depreciation	\$ _____	\$ _____
Interest	\$ _____	\$ _____

Total operating expenses **\$ _____**

Less: Business use reduction \$ _____

Employee contributions \$ _____

Taxable value **\$ _____**

FBT gross-up **x 2.0647**

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

FBT rate **x 46.5%**

FBT payable **\$ _____**

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Operating cost 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 23B 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: _____
 Registration number: _____
 Purchase date: _____
 Original cost: _____

Log book information

Opening odometer reading _____
 Closing odometer reading as at 31 March 2014 _____
 Total kilometres _____
 Number of days car held by employer _____
 Business use percentage _____ %

(Remember that the business use percentage must incorporate changes in the pattern of the use of the car during the FBT year of tax)

Calculation of FBT payable

Calculation of GST inclusive car expenses

Lease payments		\$ _____
Fuel and oil		\$ _____
Repairs and servicing		\$ _____
Registration		\$ _____
Insurance		\$ _____
Deemed: Depreciation	\$ _____	\$ _____
Interest	\$ _____	\$ _____

Total operating expenses \$ _____

Less: Business use reduction \$ _____

Employee contributions \$ _____

Taxable value \$ _____

FBT gross-up x 1.8692

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

FBT rate x 46.5%

FBT payable \$ _____

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Consolidated Operating cost (Log book) method checklist

The following is a consolidated audit checklist that will provide employers and tax practitioners with the correct procedures in calculating the taxable value of a car fringe benefit in the FBT year, under the Log book method. The checklist also deals with all onerous record keeping (including log book) requirements so that employers will survive an FBT audit.

The consolidated checklist deals with the following two formula components:

- The operating costs of the car – Component ‘C’; and
- Calculating the Business use percentage – Component ‘BP’.

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Consolidated Operating cost (Log book) method checklist	
Car registration number	
Name of usual driver of car (if any)	
Procedure	Checked/ reviewed (tick, where appropriate)
Operating costs of the car – Component ‘C’	
1. Ensure that all documentation has been collected and is available, to evidence:	
(a) Car running costs, being fuel, repairs, maintenance, insurance and registration (e.g., invoices or receipts);	
(b) Where the car is leased, the lease charges (e.g., lease documentation); and	
(c) Where the car is owned by employer, the ‘cost price’ of the car, including dealer and delivery charges (e.g., dealer invoices).	
2. Determine the Operating costs of the car, taking into account the following:	
(a) Ensure all relevant operating costs incurred by the employee (if any) are included;	
(b) Ensure that personal expense items (e.g., cigarettes and confectionery) are separated from the cost of petrol, etc. and excluded from operating costs;	
(c) Ensure that road/bridge tolls, car parking expenses, hire purchase instalments (where appropriate), and actual interest expenses (where appropriate), are excluded;	
(d) Ensure that insurance, registration, and lease charges (where appropriate) only relate to the relevant FBT year;	
(e) <i>If the car is a luxury car and owned by employer, ensure deemed depreciation and interest is based on a depreciated value that reflects the full ‘cost price’ of the car, and not limited to \$57,466 for the 2014 income year;</i>	
(f) If the car is a luxury car and leased by the employer, ensure that the lease charges are included, and do not calculate deemed depreciation and interest;	
(g) Where a bona fide lease is paid out during the current FBT year, ensure the lease payments, deemed depreciation and interest are included, for the relevant period;	
(h) Ensure that deemed depreciation is calculated for the 2014 year (where appropriate) using the 22.5% for cars acquired before 1 July 2002, 18.75% for cars acquired from 1 July 2002 until 9 May 2006 and 25% for cars acquired on or after 10 May 2006.	

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Consolidated Operating cost (Log book) method checklist	
Car registration number	
Name of usual driver of car (if any)	
(i) Ensure deemed interest is calculated (where appropriate) using the rate of 6.45% for the 2014 FBT year – see TD 2013/8.	
Calculating the Business use percentage – Component ‘BP’	
1. If a log book was not prepared in the 2014 FBT year in relation to the car, ensure that:	
(a) There is a log book which was prepared <i>after</i> the FBT year ended 31 March 2009 and that this log book is still on hand;	
(b) Odometer records are maintained showing the car’s odometer readings at the <i>start</i> and <i>end</i> of the 2014 FBT year; and	
(c) A <i>reasonable estimate</i> of the number of business kilometres has been made (in determining the car’s <i>business use percentage</i>), taking into account:	
• The information contained in the log book, and odometer records; and	
• Any variations in the pattern of use of the car, related to, for example, the changing of jobs, a variation in employment duties, holidays, seasonal fluctuations, the employer relocating to another address, etc.	
2. If a log book was prepared in the 2014 FBT year, in relation to the car, ensure that it is on hand, and that points 1(b) and 1(c) above, are also complied with.	
3. Ensure that the following requirements are met in relation to the log book:	
(a) The log book was maintained, for the appropriate FBT year, normally over a continuous period of at least 12 weeks; and	
(b) The following details are recorded in the log book:	
• When the log book period begins and ends;	
• The car’s odometer readings at the start and end of that period;	
• The total number of kilometres the car travelled during that period;	
• Certain details related to each business journey, as follows:	
– The dates on which each journey began and ended;	
– Odometer readings at the start and end of each journey;	
– The kilometres travelled; and	
– The purpose of each journey (Note: an entry merely indicating "business" or "miscellaneous business" is not sufficient – refer to former MT 2026).	
4. Ensure that employees recording business journeys in the log book, are aware of the Commissioner’s guidelines in MT 2027 as to what constitutes a business kilometre.	
Signature	
<i>(name of employee accountant/bookkeeper/fleet manager)</i>	
Dated this day of	