

Details of applicability and non applicability of Fringe Benefit Tax for Assessment year 2008-2009
 Rate of tax 30%+10%+2% + 1% higher education cess on value of %age of the Fringe benefits
 under the heads shown here below:

No.	Head Of income	%	Impact	FBT	NON FBT	Comments with section
1	ENTERTAINMENT	20%	6.798%			
2	HOSPITALITY	20% 5%	6.798% 1.6995%			*5% FOR HOTELS, Air/ship travels/cargo IMPECT 1.6995% Others 20%
3	CONFERENCE	20%	6.798%			
4	SALES PROMOTION, PUBLICITY	20%	6.798%			
5	EMPLOYEE'S WELFARE	20%	6.798%			
6	CONVEYANCE	20% 5%	6.798% 1.6995%			*5% for Construction, Pharmaceuticals & software and for Hotels, Air/ship travels/cargo
7	HOTEL, BOARDING, LODGING	20% 5%	6.798% 1.6995%			*5% for Pharmaceuticals and software; Impact 1.6995%
8A	REPAIR AND RUNNING OF CAR AND JEEP	20% 5%	6.798% 1.6995%			*5% for Business of carriage by Car; Impact 1.6995%
8B	FUEL OF CAR AND JEEP	20% 5%	6.798% 1.6995%			*5% for Business of carriage by Car; Impact 1.6995%
8C	DEPRECIATION OF CAR AND JEEP	20% 5%	6.798% 1.6995%			*5% for Business of carriage by Car; Impact 1.6995%
9A	REPAIR AND RUNNING OF AIRCRAFT	20%	6.798%			
9B	FUEL OF AIRCRAFT	20%	6.798%			
9C	DEPRECIATION OF AIRCRAFT	20%	6.798%			
10	TELEPHONE	20%	6.798%			
11	GUEST HOUSE MAINTAINING	20%	6.798%			
12	FESTIVAL CELEBRATIONS	50%	16.83%			
13	HEALTH CLUB USES	50%	16.83%			
14	OTHER CLUB FACILITIES	50%	16.83%			
15	GIFTS	50%	16.83%			
16	SCHOLERSHIPS	20%	6.798%			
17	TOUR's & TRAVELLING	5%	1.6995%			All class of Employers
18	EMPLOYEE'S STOCK OPTION	100%	33.99%			All class of Employers

WHO IS EMPLOYER FOR THE PURPOSE OF F.B.T.

1 COMPANY, FIRM, AOP/BOI, LOCAL AUAUTHORITY, ARTIFICIAL DUDICIAL AUTHORITY

NOT COVERED:

2 REGISTERED TRUST /SOCIETIES CLAIMING EXEMPTION U/S 10,11,12 running Schools, colleges, hospitals etc.

3 INDIVIDUALS , HUF , POLITICAL PARTIES, CENTRAL GOVT.

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1	Entertainment Allowance	20%	6.798%			
(i)	(i) Reimbursement of	0	0		✓	Not falling under F.B.T. provided the bills produced in the name of "EMPLOYEE" u/s 115WB(3) or in the name of "DIRECTOR" u/s 115 WB(2)(A)
(ii)	(ii) Reimbursement of	20%	6.798%	✓		Falling under F.B.T. if the bills produced in the name of "EMPLOYER"
(iii)	(iii) Fixed Allowance	0	0		✓	Not falling under F.B.T. u/s 115 WB(2)(A)
	(iv) Club facilities	20%	6.798%	✓		Attract F.B.T. u/s 115WB(2)(M)/(N)
	(v) Reimbursement of personal bills				✓	Falls u/s 17(2)(iv) hence no F.B.T. maximum limit Rs.36000/-p.a.
	(vi) Reimbursement of periodicals	20%	6.798%	✓		Attract F.B.T. 115WB(2)(E)
	(vii) Fixed All. of books etc.	0	0		✓	Not falling under F.B.T. u/s 115 WB(2)(A)
2	Hospitality	20% 5%	6.798% 1.6995%	✓		*Attract F.B.T. on amount spent on guests of the company/employer while employees are excluded
3	Conference Expenses					
	(i) Fees	0	0		✓	Fee paid for conference doesn't attract F.B.T.
	(ii) Other expenses	20%	6.798%	✓		attract F.B.T.
4	Sales Promotion					
	(i) Advertisement in any form/media	0	0		✓	cant be taken in FBT u/s 115WB(2)(D)
	(ii) rental of vehicles	0	0		✓	Spent on Special display vehicle can't be taken in FBT u/s 115WB(2)(D)
	(iii) Printing of price list /catalogue	0	0		✓	cant be taken in FBT u/s 115WB(2)(D)
	(iv) Paid to advertising agency	0	0		✓	cant be taken in FBT u/s 115WB(2)(D)
	(v) Sponsorships to sports event	0	0		✓	cant be taken in FBT u/s 115WB(2)(D)
	(vi) Free samples of medicines	0	0		✓	cant be taken in FBT u/s 115WB(2)(D)
	(vii) Calendars-diaries	0	0		✓	calendars and/or diaries not containing logo and /or name of the "Employer" doesn't come in the ambit of F.B.T. u/s 115WB(2)(L)

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	(viii) Material for Calendars-diaries	0	0		✓	Purchasing/procure Photo material /article for calendar/diary of the employer doesn't attract FBT u/s 115WB(2)(D)
	(ix) Press Conference	0	0		✓	No FBT u/s 115WB(2)(D)
	(x) Brokerage / commission	0	0		✓	No FBT u/s 115WB(2)(D)
	(xi) Reimbursement of salary of Salesman	0	0		✓	No FBT u/s 115WB(2)(D) even if reimburse to dealer/distributor
	(xii)Discount on sales or incentive to Dealer/distributor	0	0		✓	No FBT u/s 115WB(2)(D)
	(xiii) Additional gift	20%	6.798%	✓		Given with main article or thing at the time of sales attract F.B.T.
5	Canteen Expenses under Employee Welfares	0	0		✓	NO F.B.T. on Food vouchers
	(i) Expenditure on maintaining Canteen	0	0		✓	Even if meal expenditure exceeds Rs.50/- per employee there is no F.B.T.
	(ii) Paid to Contractor (iii) Restaurant (iv) Hotel 3/4/5 star (v) Local shops	0	0		✓	If company paid to someone being contractor for running in the factory premises or supplies eatable from out side of the premises, supplied by any local shopkeeper/Restaurant/hotel there is NO F.B.T.
	(vi) Food provided at training centre	0	0		✓	Provided Training centre is not hired, by otherwise F.B.T. will applicable
	(vii) Lunch Allowance	0	0		✓	NO F.B.T.
	(viii) Prepaid Meal Card	20%	6.798%	✓		Payment on Non-transferable prepaid Meal Card attract FBT
5A	Staff welfare	0	0		✓	Special allowance covered u/s 10(14) don't attract FBT
	(i) Free ration	20%	6.798%	✓		Falling under FBT
	(ii) Contribution to funds	0	0		✓	No F.B.T. on contribution for any approved/unapproved super-annuation fund upto Rs.1,00,000/- per employee per year

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	(iii) Key man Insurance	0	0		✓	Being Life insurance policy premium paid received back on maturity of the policy cant be treated as insurance on health of employee
	(iv) Crèche Facility	0	0		✓	No F.B.T. from 01.04.2008
	(v) Sports Event	0	0		✓	No F.B.T. from 01.04.2008 on sponsorship of employees sports event
5B	Medical expenses	0	0		✓	No F.B.T. on Fixed allowance
	(i) Reimbursement	0 (20%)	0 (6.798%)		✓	More than Rs. 15001/- per employee and/or directors doesn't attract FBT u/s 115WB(2)/(E) while upto Rs. 15000/- attract FBT u/s 115WB(2)/(E)
	(ii) Unlimited reimbursement	0	0		✓	Does not fall u/s 115WB(1) read with 115WB(3) hence no FBT u/s 115WB(2)(E)
	(iii) Health Insurance Premium	0	0		✓	Attract F.B.T., but if amount spent for member of employee's family- NO F.B.T.
	(iv) Expenditure on Hospital Maint.	0	0		✓	No F.B.T.
6	Conveyance	20% 5%	6.798% 1.6995%	✓		*Reimbursement Attract F.B.T.
	(i) Transport facility to employee's kids	20% 5%	6.798% 1.6995%	✓		*Attract F.B.T. 115WB(2)(E)
	(ii) Fixed allowance by whatever name called as : Conveyance Fuel/Petrol Maintenance of vehicle All.	0	0		✓	Paid to employee and/or directors for official purpose wholly or partly can't be taken for F.B.T. any amount is exempt u/s 10(14) rule 2BB(1)(c). it is different from Transport allowance that is exempt up to Rs.9600/- p.a. u/s 10(14), most of employers/c.a. wrongly club the both and restricted up to Rs.9600/- p.a.
7	Hotel bills	0	0		✓	If hotel bill are in the name of employee there is no F.B.T.
	(i) Hotel / Motel bills	20% 5%	6.798% 1.6995%	✓		*If hotel bill are in the name of employer there is F.B.T.
	(ii) Expenditure on Guest house	0	0		✓	there is No F.B.T. from 01.04.2008
	(iii) Lodging House	0	0		✓	Not treated as Hotel so no F.B.T.
	(iv) Apartment house	0	0		✓	Not treated as Hotel so no F.B.T.

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8	Repair and running of Vehicles	0	0		✓	
	(i) Scooter or bike	0	0		✓	Motor bike/scooter maintenance / repair exp. Not covered under FBT u/s 115WB(2)(H); Vehicles may have owned by employer/employee
	(ii) Bus ferrying	0	0		✓	Bus used for transporting employees doesn't attract F.B.T.
	(iii) Other vehicles	0	0		✓	Except car and aircraft all vehicles are free from F.B.T.
	(iv) Driver's Salary	0	0		✓	Except car and aircraft all vehicles are free from F.B.T. and for the purpose of F.B.T. for car /Aircraft it will be add
	(v) Garage Rent	0	0		✓	Except car and aircraft all vehicles are free from F.B.T. and for the purpose of F.B.T. for car /Aircraft it will be add
	(vi) Hiring or lease	0	0		✓	Except car and aircraft all vehicles are free from F.B.T. and for the purpose of F.B.T. for car /Aircraft it will be add
	(vii) Interest on loan taken for vehicles	0	0		✓	Except car and aircraft all vehicles are free from F.B.T. and for the purpose of F.B.T. for car /Aircraft it will be add
9	Fuel of Vehicles and / or Aircraft	0	0		✓	Except car and aircraft all vehicles are free from F.B.T.
10	Depreciation of Vehicles and / or Aircraft	0	0		✓	Except car and aircraft all vehicles are free from F.B.T. and for the purpose of F.B.T. for car /Aircraft it will be add
11	Telephone expenses	0	0		✓	Sets given to employees attract NO F.B.T.
	(i) Fixed allowance	0	0		✓	No F.B.T. (maximum limit Rs.36000/- p.m.)however it is not exempt u/s 10(14)
	(ii) Reimbursement of phone bills , phone may or may not in the name of company	20%	6.798%	✓		even if telephone is not in the name of company reimburse of expenditure attract F.B.T.

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12	Guest house	0	0		✓	No F.B.T. on Depreciation
	(i) Maintenance	0	0		✓	Attract F.B.T. if used by outsiders, but if it used by directors/employees then according to ruling of Madras High Court NO F.B.T. u/s 115WB(2)(K)
	(ii) Rent	50%	16.83%	✓		Attract F.B.T.
	(iii) Interest on loan for acquiring	50%	16.83%	✓		Attract F.B.T.
13	Festival celebrations	50%	16.83%	✓		Attract F.B.T. even on poojan expenses in temple situated in factory/office complex
	(i) Fixed Festival Allowance	0	0		✓	Taxable u/s 17(3) but not perquisite, No F.B.T. u/s 115WB(2)(A)/(L)
14	Health & other clubs	0	0		✓	Depreciation on Club building - NO F.B.T.
	(i) Levy and/ or fees	50%	16.83%	✓		Attract F.B.T.
	(ii) Reimburse of bills	0	0		✓	Reimburse of personal bills of employee up to Rs.2500/- p.m.- NO F.B.T.
15	Gifts				✓	Gifts in kind/article attract F.B.T.
	(i) Cash gifts	0	0		✓	Cash gifts to employees on appreciation of services granted does not attract F.B.T.
16	Scholarships	50%	16.83%	✓		attract F.B.T.
17	Tour & Travelling	5%	1.6995%	✓		Reimbursement of Foreign business /official tours /journey attract
	(i) Private journey	0	0		✓	Reimbursement even for more than Rs.84000/- p.a. - NO F.B.T.
	(ii) L.T.C.	0	0		✓	Provided twice in a block of 4 years and reimbursed does not attract F.B.T.
18	Employee's Stock Option	100%	33.99%	✓		F.B.T. u/s 115WB(1)Clause (d) Fair Market Value will be taken @100% for the purpose of calculating F.B.T. HOWEVER, Employer is empowered to recover amount of F.B.T. i.e. 33.99% tax from the employees u/s 115WKA. Employee is also liable to pay Capital Gain Tax at the time of transfer in addition to F.B.T.

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	(I) Stock option offer by foreign holding Co.	0	0		✓	NO F.B.T. if foreign holding Co. charge nothing from Indian subsidiary
	(II) Stock option offer by foreign holding Co.	100%	33.99%	✓		F.B.T. u/s 115WB(1)Clause (d)
	(III) Stock Option Plan	100%	33.99%	✓		NOTE: Companies as well C.A.'s should be very careful while calculating F.B.T. under this clause as it is applicable as per agreement with the employees , even no share, stocks, securities were issued/transferred to employees they are liable to pay the F.B.T. on that option plan due to prior agreement with the employer.

Though we were very careful while making the above chart however Any error or omission is regretted.

Your feedback is solicited to improve the above and/or any addition to the above.

Updated in March 2008 as per information revealed.