

# FBT exemption

## for laptop with upgrades

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The ATO has confirmed that, where an employee is reimbursed by their employer for the purchase of a laptop computer, the cost of including additional memory in the computer (and similar upgrades) at the time of purchase will form part of the cost of the laptop for fringe benefits tax (FBT) purposes.

### Reasons for Decision

The provision of certain 'eligible work related items', including 'a portable electronic device' (such as a laptop computer), by an employer to an employee can be exempt from FBT.

This exemption also applies to any computer upgrades made at the time of purchase involving built-in internal components which are not peripheral items and which are ordered and itemised on the one invoice (even at a separate cost), including:

- additional memory;
- bigger hard drive;
- internal modem; or
- wireless LAN module.

However, where the employee requests peripheral items such as cables, modems or cradles or an extension to the warranty that is offered, and these come at an additional cost, the exemption will not extend to these items.

