

Tax Consequences of Gifts & Entertainment

		TAX CONSEQUENCES		
Positive outcome for business		Pay Fringe Benefit Tax?	Claim Tax Deduction?	Claim GST credits?
Negative outcome for business				
FOOD & DRINK ENTERTAINMENT				
Less than \$300 (including GST)	Employee	✗	✗	✗
	Employee's Spouse	✗	✗	✗
	Client	✗	✗	✗
\$300 or More (including GST)	Employee	✓	✓	✓
	Employee (provided on employer's premises)	✗	✗	✗
	Employee's Spouse	✓	✓	✓
	Client	✗	✗	✗
ENTERTAINMENT GIFT (Sporting & Theatrical events, Meal Vouchers, Accomodation etc)				
Less than \$300 (including GST)	Employee	✗	✗	✗
	Employee's Spouse	✗	✗	✗
	Client	✗	✗	✗
\$300 or More (including GST)	Employee	✓	✓	✓
	Employee's Spouse	✓	✓	✓
	Client	✗	✗	✗
NON ENTERTAINMENT GIFTS (ie Christmas Hamper, Non-Entertainment Gift Vouchers, Wines)				
Less than \$300 (including GST)	Employee	✗	✓	✓
	Employee's Spouse	✗	✓	✓
	Client	✗	✓	✓
\$300 or More (including GST)	Employee	✓	✓	✓
	Employee's Spouse	✓	✓	✓
	Client	✗	✓	✓

*Note that the above is only a high level summary of some complex tax consequences of throwing a Christmas Party and giving gifts to your staff. If you have any questions or would like more specific information on the above, please contact the Brentnalls WA office directly on (08) 6212 7200.