

## Electric Vehicles and FBT

### Exemption on low and zero-emission work cars: Driving employers towards salary sacrifice.

On 25 November 2022, the Commonwealth Government passed legislation that provides a Fringe Benefits Tax (FBT) exemption for zero and low emissions vehicles (ZLEV). The FBT exemption became effective on 1 July 2022.

To this end, the Executive Committee of the Victorian Automobile Dealers Association (VADA) has requested that VACC seek guidance on behalf of its VADA members on:

- Types of ZLEVs that qualify for the exemption.
- Criteria the ZLEVs need to satisfy to qualify for the exemption.
- How long the FBT exemption runs for.
- Advice on the benefits for employers to replace Internal Combustion Engines with ZLEVs.
- Advice on the use of ZLEVs when reporting the fringe benefit.

### Where can I find the information?

You can click on the image below to see guidance from prominent industry accountants [SW Accountants & Advisors](#). VACC thanks Steve Edmonds and team from SW Accountants & Advisors for providing the advice commissioned on behalf of VADA.



**What is the purpose of the document?**

The document has the intended purpose of informing both dealers and consumers on how the FBT works in relation to a qualifying vehicle.

**Important information about the guidance**

The comments and information contained in the guidance are generic in nature and do not purport to represent advice that can be relied upon. VACC advises that you should seek your own advice for your own circumstances.

The guidance should not be treated as financial or legal advice.

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