No.	Head Of income	%	Impact	FBT	NON FBT	Comments with section
1	ENTERTAINMENT	20%	6.73%			
2	HOSPITALITY	20% 5%	6.73%			5% FOR HOTELS, Air/ship travels/cargo IMPECT 1.68% Others 20%
3	CONFERENCE	20%	6.73%			
4	SALES PROMOTION, PUBLICITY	20%	6.73%			
5	EMPLOYEE'S WELFARE	20%	6.73%			
6	CONVEYANCE	20% 5%	6.73% 1.68%			5% for Construction,Pharmaceuticals and software and for HOTELS, Air/ship travels/cargo
7	HOTEL, BOARDING, LODGING	20% 5%	6.73% 1.68%			5% for Pharmaceuticals and software; Impact 1.68%
8A	REPAIR AND RUNNING OF CAR AND JEEP	20% 5%	6.73% 1.68%			5% for Business of carriage by Car; Impact 1.68%
8B	FUEL OF CAR AND JEEP	20% 5%	6.73% 1.68%			5% for Business of carriage by Car; Impact 1.68%
8C	DEPRECIATION OF CAR AND JEEP	20% 5%	6.73% 1.68%			5% for Business of carriage by Car; Impact 1.68%
9A	REPAIR AND RUNNING OF AIRCRAFT	20%	6.73%			
9B	FUEL OF AIRCRAFT	20%	6.73%			
9C	DEPRECIATION OF AIRCRAFT	20%	6.73%			
10	TELEPHONE	20%	6.73%			
11	GUEST HOUSE MAINTAINING	20%	6.73%			
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%	6.73%			
17	TOURs AND TRAVELLING	5%	1.68%			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 AUATHORITY, 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.

No.	Head Of income	%	Impact	FBT	NON FBT	Comments with section
1	**Entertainment Allowance**	20%	6.73%			
	(i) Reimbursement of				✓	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) Reimbursement of			✓		Falling under F.B.T. if the bills produced in the name of "**EMPLOYER**"
	(iii) Fixed Allowance				✓	Not falling under F.B.T. u/s 115 WB(2)(A)
	(iv) Club facilities			✓		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 books /periodicals			✓		Attract F.B.T. 115WB(2)(E)
	(vii) Fixed Allowance of books /periodicals				✓	Not falling under F.B.T. u/s 115 WB(2)(A)
2	**Hospitality**			✓		Attract F.B.T. on amount spent on guests of the company/employer while employees are excluded
3	**Conference Expenses**					
	(I) Fees				✓	Fee paid for conference doesn't attract F.B.T.
	(ii) Other expenses			✓		attract F.B.T.
4	**Sales Promotion**					
	(i) Advertisement in any form/media				✓	cant be taken in FBT u/s 115WB(2)(D)
	(ii) rental of vehicles				✓	Spent on Special display vehicle can't be taken in FBT u/s 115WB(2)(D)
	(iii) Printing of price list /catalogue				✓	cant be taken in FBT u/s 115WB(2)(D)
	(iv) Paid to advertising agency				✓	cant be taken in FBT u/s 115WB(2)(D)
	(v) Sponsorships to sports event				✓	cant be taken in FBT u/s 115WB(2)(D)
	(vi) Free samples of medicines				✓	cant be taken in FBT u/s 115WB(2)(D)
	(vii) Calendars-diaries				✓	Expenditure on 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)
	(viii) Material for Calendars-diaries				✓	Purchasing/procure Photo material /article for calendar/diary of the employer doesn't attract FBT u/s 115WB(2)(D)
	(ix) Press Conference				✓	No FBT u/s 115WB(2)(D)
	(x) Brokerage / commission				✓	No FBT u/s 115WB(2)(D)
	(xi) Reimbursement of salary of Salesman				✓	No FBT u/s 115WB(2)(D) even if reimburse to dealer/distributor

No.	Head Of income	%	Impact	FBT	NON FBT	Comments with section
	(xii) Discount on sales or incentive to Dealer/distributor				✓	No FBT u/s 115WB(2)(D)
	(xiii) Additional gift			✓		Given with main article or thing at the time of sales attract F.B.T.
5	**Canteen Expenses under Employee Welfares**				✓	NO F.B.T. on Food vouchers
	(i) Expenditure on maintaining Canteen				✓	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				✓	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				✓	Provided Training centre is not hired, by otherwise F.B.T. will applicable
	(vii) Lunch Allowance				✓	NO F.B.T.
	(viii) Prepaid Meal Card			✓		Payment on Non-transferable preapaid Meal Card attract FBT
5A	**Staff / Worker/Employees welfare**				✓	Special allowance covered u/s 10(14) don't attract FBT
	(i) Free ration			✓		Falling under FBT
	(ii) Contribution to funds				✓	No F.B.T. on contribution for any approved/unapproved superannuation fund up to Rs.1,00,000/- per employee per year
	(iii) Key man Insurance				✓	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				✓	No F.B.T. from 01.04.2008
	(v) Sports Event				✓	No F.B.T. from 01.04.2008 on sponsorship of employees sports event
5B	**Medical expenses**				✓	No F.B.T. on Fixed allowance
	(i) Reimbursement				✓	More than Rs. 15001/- per employee and/or directors doesn't attract FBT u/s 115WB(2)/(E) while less than Rs. 15000/- attract FBT u/s 115WB(2)/(E)
	(ii) Unlimited reimbursement				✓	Does not fall u/s 115WB(1) read with 115WB(3) hence no FBT u/s 115WB(2)(E)
	(iii) Health Insurance Premium				✓	Attract F.B.T., but if amount spent for member of employee's family- NO F.B.T.
	(iv) Expenditure on Hospital Maintain.				✓	No F.B.T.

No.	Head Of income	%	Impact	FBT	NON FBT	Comments with section
6	Conveyance			✓		Reimbursement Attract F.B.T.
	(i) Transport facility to employee's kids			✓		Attract F.B.T. 115WB(2)(E)
	(ii) Fixed allowance by whatever name called as : Conveyance Fuel/Petrol Maintenance of vehicle All.				✓	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**				✓	If hotel bill are in the name of **employee** there is no F.B.T.
	(i) Hotel / Motel bills			✓		If hotel bill are in the name of **employer** there is F.B.T.
	(ii) Expenditure on Guest house				✓	there is No F.B.T. from 01.04.2008
	(iii) Lodging House				✓	Not treated as Hotel so no F.B.T.
	(iv) Apartment house				✓	Not treated as Hotel so no F.B.T.
8	**Repair and running of Vehicles**				✓	
	(i) Scooter or bike				✓	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				✓	Bus used for transporting employees doesn't attract F.B.T.
	(iii) Other vehicles				✓	Except car and aircraft all vehicles are free from F.B.T.
	(iv) Driver's Salary				✓	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				✓	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				✓	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				✓	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**				✓	Except car and aircraft all vehicles are free from F.B.T.
10	**Depreciation of Vehicles and / or Aircraft**				✓	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

No	Head Of income	%	Impact	FBT	NON FBT	Comments with section
11	Telephone expenses				✓	Sets given to employees attract NO F.B.T.
	(i) Fixed allowance				✓	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			✓		even if telephone is not in the name of company reimburse of expenditure attract F.B.T.
12	**Guest house**				✓	No F.B.T. on Depreciation
	(i) Maintenance				✓	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			✓		Attract F.B.T.
	(iii) Interest on loan for acquiring			✓		Attract F.B.T.
13	**Festival celebrations**			✓		Attract F.B.T. even on poojan expenses in temple situated in factory/office complex
	(i) Fixed Festival Allowance				✓	Taxable u/s 17(3) but not perquisite, No F.B.T. u/s 115WB(2)(A)/(L)
14	**Health & other clubs**				✓	Depreciation on Club building - NO F.B.T.
	(i) Levy and/ or fees			✓		Attract F.B.T.
	(ii) Reimburse of bills				✓	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				✓	Cash gifts to employees on appreciation of services granted does not attract F.B.T.
16	**Scholarships**			✓		attract F.B.T.
17	**Tour & Travelling**			✓		Reimbursement of Foreign business /official tours /journey attract
	(i) Private journey				✓	Reimbursement even for more than Rs.84000/- p.a. - NO F.B.T.
	(ii) L.T.C.				✓	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.**
	(I) Stock option offer by foreign holding Co.				✓	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			✓		**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.