



REMUNERATION TRIBUNAL SECRETARIAT

Proposed changes to private motor vehicle allowance

In the 2015 Federal Budget, the government announced a proposal to change the methods by which individuals can claim motor vehicle expenses in their tax return. The proposed change includes replacing the three rates available under the cents per kilometre method (currently 77 cents, 76 cents and 65 cents) with a single rate (66 cents). As outlined in the Budget announcement, these changes will commence from the 2015-16 income year which means the legislative change will have a retrospective effective date of 1 July 2015.

The Tribunal will consider changes to the motor vehicle allowance provisions in Determination 2013/16: Official Travel by Office Holders and Determination 2012/04: Members of Parliament – Entitlements as part of its regular August review of travel entitlements taking into account the passage of the legislation.

The rates referred to in the determinations will continue to apply to office holders and Parliamentarians until the Tribunal determines different rates.

Individuals entitled to receive motor vehicle allowance at rates higher than that prescribed by the Australian Tax Office (ATO) will need to have regard to this when completing their tax returns in 2016.

Paying authorities should also have regard to ATO advice on tax withholding obligations available via this link: [withholding tables for allowances for 2015-16](#)

Remuneration Tribunal Secretariat
26 June 2015