

Tally 9 – FAQs on Fringe Benefit Tax

Q1. How do I enable Fringe Benefit Tax in Tally 9?

Answer: To enable FBT in Tally:

Go to **Gateway of Tally > F11: Features > Statutory & Taxation**

1. Set **Enable Fringe Benefit Tax (FBT)** to **Yes**
2. Set **Set/Alter FBT Details** to **Yes**
3. In the sub-screen that displays, specify the **Company FBT Assessee Details**

Q2. How do I define the surcharge applicability?

Answer:

Go to **Gateway of Tally > F11: Features > Statutory & Taxation**

- Set **Enable Fringe Benefit Tax (FBT)** to **Yes**
- Set **Set/Alter FBT Details** to **Yes**. The **Company FBT Assessee Details** screen displays
- Enter the **PAN/Income Tax Number**
- Select **Body of Individuals/ Association of Persons** as **Assessee Type**
- Set **Is Surcharge Applicable?** to **Yes** if surcharge is applicable,
- Select the **Assessee Category** from the list

Q3. How do I determine the valuation of Fringe Benefits in Tally?

Answer:

The valuation mechanism of Fringe Benefits Tax depends on the nature of fringe benefits offered by an employer to his employees and the nature of business of the employer. The various Assessee Types and FBT categories specified in the Act for the purpose of FBT Valuation are predefined in Tally and are based on the type and category selected during master creation or at the time of Voucher Entry.

To view the predefined Assessee Type and FBT Category:

Go to **Gateway of Tally > Display > Statutory Info. > FBT Assessee Type (AND)**

Go to **Gateway of Tally > Display > Statutory Info. > FBT Category**

Q4. How do I configure an expense ledger to account FBT?

Answer:

1. In the **Expense Ledger Master** creation screen, set the option **Is FBT Applicable?** to **Yes**
2. From the **list of FBT Categories**, select the appropriate nature of FBT Category applicable to the expense ledger.

Note: You can also select the nature of FBT category for the expense ledger at the time of booking the expenses.

Q5. How do I account for a single expense, when only a part of the expense is subject to FBT? For instance, my company receives a telephone bill for Rs. 10,000 out of which only Rs. 8000 is subject to FBT.

Answer:

To account only a part of an expense subject to FBT,

- Press **F12: Configuration**
- Set **Allow selection of FBT Category** during entry, to **Yes** in the Accounting Voucher section and pass the entry as follows:

Dr./ Cr.	Description	Amount
Dr.	Telephone Expenses (Select appropriate FBT Category)	8000. 00
Dr.	Telephone Expenses (Select FBT Category as Not applicable)	2000. 00
Cr.	Cash/ Bank/ Vendor A/c	10,000.00

Q6. Can I calculate FBT based on estimation?

Answer:

With reference to the Act, for every financial year commencing from 01/04/05, the FBT must be paid to the Government in advance on a quarterly basis. For the first three quarters, the payments should be made on or before the 15th of the succeeding month. For the last quarter ending 31st March, FBT payment is to be made on a presumptive basis on or before 15th March i.e., before the close of the financial year. In Tally, the Estimated FBT payments are recorded using the Memorandum voucher. This entry does not affect the Books of Accounts, but reflects in the FBT computation report, thus facilitating accuracy in FBT calculation, especially while calculating FBT

on depreciation. The same entry can be regularized without affecting FBT computation.

Q7. Can I print the FBT Challan?

Answer:

Yes, you can print the FBT Challan if FBT is paid using a payment voucher.

To print the challan set **Print as FBT Challan** to **Yes**, in the **Voucher Printing Configuration** screen.

Q8. How do I account for Interest, Penalty and Other Charges while making the FBT payment?

Answer:

In the Payment Voucher,

- Select the Interest / Penalty / Other charges ledger subsequent to the FBT Ledger and
- Select the Type of Payment from the **Payment Type** screen, to display the amounts in the respective boxes provided in the Challan.

Q9. How do I view the FBT computation statement for a given period?

Answer:

To view the FBT computation statement for a given period, Go to **Gateway of Tally > Display > Statutory Reports > FBT Reports > FBT Computation**