



Class Ruling

Fringe benefits tax: clients of LogbookMe Pty Ltd who use the LogbookMe In-Car Logbook Solution for car logbook and odometer records

Contents	Para
LEGALLY BINDING SECTION:	
What this Ruling is about	1
Date of effect	7
Scheme	8
Ruling	31
NOT LEGALLY BINDING SECTION:	
Appendix 1:	
<i>Explanation</i>	36
Appendix 2:	
<i>Detailed contents list</i>	85

ⓘ This publication provides you with the following level of protection:

This publication (excluding appendixes) is a public ruling for the purposes of the *Taxation Administration Act 1953*.

A public ruling is an expression of the Commissioner's opinion about the way in which a relevant provision applies, or would apply, to entities generally or to a class of entities in relation to a particular scheme or a class of schemes.

If you rely on this ruling, the Commissioner must apply the law to you in the way set out in the ruling (unless the Commissioner is satisfied that the ruling is incorrect and disadvantages you, in which case the law may be applied to you in a way that is more favourable for you – provided the Commissioner is not prevented from doing so by a time limit imposed by the law). You will be protected from having to pay any underpaid tax, penalty or interest in respect of the matters covered by this ruling if it turns out that it does not correctly state how the relevant provision applies to you.

What this Ruling is about

1. This Ruling sets out the Commissioner's opinion on the way in which the relevant provision(s) identified below apply to the defined class of entities, who take part in the scheme to which this Ruling relates.

Relevant provision(s)

2. The relevant provisions dealt with in this Ruling are:

- section 10A of the *Fringe Benefits Tax Assessment Act 1986* (FBTAA);
- section 10B of the FBTAA;
- subsection 136(1) of the FBTAA.

All references in this Ruling are to the FBTAA unless otherwise stated.

Class of entities

3. The class of entities to which this Ruling applies is clients of LogbookMe Pty Ltd (LogbookMe) who use the LogbookMe In-Car Logbook Solution (LogbookMe Solution) for car log book record and odometer record keeping requirements.

Qualifications

4. The Commissioner makes this Ruling based on the precise scheme identified in this Ruling.

5. The class of entities defined in this Ruling may rely on its contents provided the scheme actually carried out is carried out in accordance with the scheme described in paragraphs 8 to 30 of this Ruling.

6. If the scheme actually carried out is materially different from the scheme that is described in this Ruling, then:

- this Ruling has no binding effect on the Commissioner because the scheme entered into is not the scheme on which the Commissioner has ruled; and
- this Ruling may be withdrawn or modified.

Date of effect

7. This Ruling applies from 1 April 2013. However, this Ruling will not apply to taxpayers to the extent that it conflicts with the terms of a settlement of a dispute agreed to before the date of issue of this Ruling (see paragraphs 75 and 76 of Taxation Ruling TR 2006/10).

Scheme

8. The following description of the scheme is based on information provided by the applicant in the application for a Class Ruling dated 30 October 2013 and on information provided on the LogbookMe website.

Note: Certain information has been provided on a commercial-in-confidence basis and will not be disclosed or released under Freedom of Information legislation.

9. The LogbookMe Solution is a cloud-based online platform which can be used to log the journeys of a car during a pre-determined period. Currently, the two default periods being offered are a 12 week period and a 52 week period. However, there is an option to extend the period of use beyond the default periods.

10. The LogbookMe Solution consists of:

- car and employee registration with secure login and password features;

- an in-car device that is installed in the car to capture journey information;
- a cloud-based remote data management platform (Platform) that securely receives, processes, reports and stores the journey information;
- a smart phone based mobile application (App) that allows the driver to classify journey information and record the purpose of each journey;
- a web browser based secure portal (Portal) that allows the driver to classify journey information and record the purpose of each journey;
- reports generated by the Portal.

In-Car Device

11. The In-Car Device is a Global Positioning System (GPS) device that is able to monitor the position of the car so as to determine the car's journeys. It also records the start and stop times of the journeys and calculates the distance travelled in each of the journeys.

12. The In-Car Device contains a GPS module, movement sensors, solid state memory, mobile communication modules, sim card, battery and power socket. The In-Car Device is powered by a connection to the car's 12 volt cigarette lighter attachment, in-built USB port or On-Board Diagnostics port.

13. Upon receipt of the In-Car Device and it being placed in the relevant car, the user will be prompted to enter the following information prior to commencing the first trip for which the In-Car Device is used:

- login and password details;
- opening odometer reading from the vehicle's built-in odometer;
- time zone.

14. The In-Car Device commences recording data when it senses movement in the car. The recorded data is saved onto the device memory with identifiers including the time and date of each capture. The recorded data is then automatically sent using a wireless mobile connection to the Platform. Should coverage on the mobile network not be available, the In-Car Device will automatically store the recorded data and periodically resend until successful.

Platform

15. At the time the In-Car Device is ordered, the employer or user provides information that is used to set up the user account. This information includes the following:

- name of driver;

- car registration;
- car make and model;
- engine size;
- carrying capacity;
- email address for user notifications and App configuration;
- login and password details;
- the name of the employer.

16. The Platform is activated for use when the In-Car Device is dispatched to the user and, from that point, is available to receive journey information at any time while the In-Car Device is operating.

17. The Platform receives all transmissions continuously when the In-Car Device is operating and verifies data integrity and receipt. The Platform processes the transmissions and generates a log for the specific device which represents the individual driver. Part of the processing includes collation of various transmissions to create individual trips (Trip Log).

Trip Log

18. The Trip Log appears in the App and Portal for the driver to classify each trip.

19. At the end of each Trip Log, the driver will receive an in-device notification prompt to classify the journey and record the purpose of the journey. Alternatively, the driver may use the Portal to classify the journey and record the purpose of the journey.

The Portal

20. The Portal allows the employer and user to view, review and report on all data. The portal has a series of drop down menus and text input boxes that allow user input.

21. Next to each Trip Log, the user classifies the trip as either business or personal using the available dropdown menu. There is also a graphical display of the current business use percentage based on the Trip Logs that have already been classified.

22. To assist the user to record the purpose of each journey, the App and Portal will automatically overlay the driver's calendar entries and auto-fill the field for recording the purpose of the journey. The driver is required to review and validate the auto-fill calendar information and may also make necessary edits. The purpose of the journey is not recorded until the user has validated and saved the record by pressing a button.

23. If the driver does not classify a trip within 48 hours (or an alternative time frame agreed by the employer and user), the user will receive an email notification requesting that they login to the App or Portal to classify the outstanding Trip Logs.

24. At any given time, the user will be able to view all unclassified trips on the App and Portal. The driver is then able to classify each trip individually and record the purpose of the journey.

Reports

25. The LogbookMe Solution produces two reports:

- The LogbookMe Solution logbook report.
- The LogbookMe Solution summary report.

The LogbookMe Solution logbook report

26. The LogbookMe Solution logbook report provides the following details:

- car registration;
- the date on which each trip occurs;
- the start time of each trip;
- the end time of each trip;
- the start odometer reading which may be a reading manually entered at the commencement of the period. Alternatively, it will be the reading determined by the GPS;
- the end odometer reading determined by the GPS;
- total kilometres travelled during the trip as calculated using the start and end odometer readings;
- trip details (including start and end address);
- classification of trip (business or personal);
- the purpose of the journey.

The LogbookMe Solution summary report

27. The LogbookMe Solution summary provides the following details:

- user attributes (including name and car registration details);
- the start and end odometer reading which may be a reading manually entered at the commencement or end of the relevant period. Alternatively, it may be the reading determined by the GPS;

- business usage percentage (the percentage of the number of business kilometres travelled to the total number of kilometres travelled);
- number of unclassified trips;
- last trip;
- start date of logbook;
- end date of logbook;
- days remaining in the logbook period.

28. The reports are produced in English and can be exported in a variety of formats including .xls, .csv and .pdf.

29. Upon completion of the relevant period, the user will be prompted to enter the odometer reading displayed on the car's odometer. The Portal will then determine whether there is any variance between the closing odometer reading determined by the GPS as compared to the car's odometer reading entered by the user.

30. If the variance between the total distance measured by the GPS and the car's odometer reading is greater than a pre-determined variance, the employer and user will be notified. Where it is deemed the variance is not acceptable, the user will have the option to continue the logbook period or alternatively to restart the logbook.

Ruling

31. The LogbookMe Solution logbook report is a document that satisfies the definition of 'logbook records' in subsection 136(1).

32. Both the LogbookMe Solution logbook report and the LogbookMe Solution summary report satisfy the definition of 'odometer records' in subsection 136(1).

33. An employer who uses the LogbookMe Solution continuously for the period of the year for which the car was held is entitled to a reduction of the operating costs under section 10A.

34. An employer who uses the LogbookMe Solution for only part of the period of the year of tax for which the car is held will be entitled to a reduction of the operating costs of the car under section 10A if:

- odometer readings for the beginning and end of the period of the year for which the car is held are separately recorded;
- an estimate is made of the number of business kilometres travelled by the car during the period of the year for which the car is held using all relevant matters including the LogbookMe Solution logbook report, odometer records and any variations in the pattern of use of the car;

- the business use percentage for the period of the year for which the car is held is specified using the estimated number of business kilometres and the odometer readings for the beginning and end of the holding period.

35. An employer who does not use the LogbookMe Solution in the current year, but has used the system in one of the previous four years will be entitled to a reduction of operating costs of the car under section 10B if:

- odometer readings for the beginning and end of the period of the year for which the car is held are separately recorded;
- an estimate is made of the number of business kilometres travelled by the car during the period of the year for which the car is held using all relevant matters including the LogbookMe Solution logbook report, odometer records and any variations in the pattern of use of the car;
- the business use percentage for the period of the year for which the car is held is specified using the estimated number of business kilometres and the odometer readings for the beginning and end of the holding period.

Commissioner of Taxation

12 March 2014

Appendix 1 – Explanation

ⓘ *This Appendix is provided as information to help you understand how the Commissioner’s view has been reached. It does not form part of the binding public ruling.*

What is the operating cost method for the purposes of the FBTAA?

36. Section 10 allows employers to elect to calculate the taxable value of a car fringe benefit using the cost basis method (operating cost method).

37. The taxable value of the car fringe benefit using the cost basis method (operating cost method) is calculated according to the following formula in subsection 10(2):

$$(C \times (100\% - BP)) - R$$

where:

C is the operating cost of the car during the holding period;

BP is either:

- (i) nil if, under sections 10A or 10B, the employer is not entitled to a reduction in the operating cost of the car on account of business journeys undertaken in the car during the holding period; or
- (ii) the business use percentage applicable to the car for the holding period; and

R is the amount (if any) of the recipient’s payment.

38. Therefore, employers intending to claim a reduction in the operating cost of a car, on account of business journeys undertaken during the holding period, must meet the requirements of either section 10A (if the year is a log book year of tax) or section 10B (if the year is a non-log book year of tax).

39. Subsection 162G(1) sets out various circumstances under which a particular year can be treated as a ‘log book year of tax’ for the purposes of the application of section 10. Subsection 162G(1) states:

SECTION 162G LOG BOOK YEAR OF TAX

162G(1) [Conditions] For the purposes of the application of section 10 in relation to a car fringe benefit in relation to an employer in relation to a particular car while it was held by a particular person (in this subsection called the ‘**provider**’) during a particular period (in this subsection called the ‘**holding period**’) in a year of tax (in this subsection called the ‘**current year of tax**’), the current year of tax is a log book year of tax of the employer in relation to the car if, and only if:

- (a) none of the previous 4 years was a log book year of tax of the employer in relation to the car;

Note: This paragraph will apply if it is the first year that the employer uses the cost basis method.

- (b) the employer elects that the current year of tax be treated as a logbook year of tax of the employer in relation to the car; or
- (c)-(g) (Omitted by No 145 of 1995)
- (h) the Commissioner causes a notice in writing to be served on the employer before the commencement of the current year of tax requiring the employer to treat the current year of tax as a logbook year of tax of the employer in relation to the car.

40. In considering these conditions, a year in which the LogbookMe Solution is used will be a logbook year of tax under either:

- paragraph 162G(1)(a) if a logbook has not been kept for the particular car in the previous four years; or
- paragraph 162G(1)(b) as the employer in choosing to use the LogbookMe Solution will make an election to treat the year as a logbook year of tax.

41. The subsequent four years will be a non logbook year of tax if an election is not made to treat the year as a logbook year of tax.

Does the LogbookMe Solution meet the requirements of section 10A in a logbook year of tax?

42. Section 10A requires that in a logbook year:

- (a) logbook records are maintained for an applicable logbook period;
- (b) odometer records are maintained for an applicable logbook period;
- (c) odometer records are maintained for the period of the year in which the car was held (the holding period);
- (d) the employer estimates the number of business kilometres travelled during the holding period;
- (e) the employer specifies the business use percentage for the holding period.

(a) Does the LogbookMe Solution provide logbook records for an applicable log book period?

43. Subsection 136(1) of the FBTA defines 'logbook records' as follows:

logbook records, in relation to a car held by a person (in this definition called the *holder*), in relation to a period, means a daily logbook or similar document in which, in respect of each business journey:

- (a) that is undertaken in the car during the period; and
- (b) that the holder, or a person acting on behalf of the holder, chooses to record in the document for the purpose of demonstrating the pattern of use of the car during the period;

an entry setting out particulars of:

- (c) the date on which the journey began and the date on which it ended; and
- (d) the respective odometer readings of the car at the beginning and end of the journey; and
- (e) the number of kilometres travelled by the car in the course of the journey; and
- (f) the purpose or purposes of the journey;
- (g) (Omitted by No 145 of 1995)
- (h) (Omitted by No 145 of 1995)
- (i) (Omitted by No 145 of 1995)

is made in the English language at, or as soon as reasonably practicable after, the end of the journey.

44. In considering these conditions, the In-Car Device records data whenever it senses movement in the car. Therefore, the LogbookMe Solution will record every journey (including all business journeys) undertaken in the car while the device is fitted.

45. Paragraph (c) of the definition of 'logbook records' requires each entry to detail the dates on which the business journeys began and ended. This requirement is met as the LogbookMe Solution logbook report provides details of the date on which each journey began and ended.

46. Paragraph (d) of the definition of 'logbook records' requires the respective odometer readings of the car at the beginning and at the end of the journey be entered into the relevant records.

47. The term 'odometer' is not defined in either the FBTAA or the *Income Tax Assessment Act 1997* but the *Macquarie Dictionary*, online edition, defines that term as being 'an instrument for measuring distance passed over, as by a motor vehicle'.

48. However, the definition of 'odometer records' in subsection 136(1) makes reference to 'odometer readings of the car'. In this regard, it is concluded that, whilst odometer readings must pertain to the car, it does not necessarily mean that they must also be attributable either wholly or in part to the rotation of the car's wheels, thereby mechanically moving the standard odometer fitted in the car by the manufacturer.

49. Provided the device used to determine the car's odometer readings is of sufficient integrity it can be accepted that a system other than the car's own odometer may meet the FBTAA legislative requirements.

50. Each time the car is driven, the start and end odometer readings for the journey are calculated by the LogbookMe Solution from the GPS and other telemetry data recorded. It is accepted that the opening and closing odometer readings calculated by the LogbookMe Solution are of sufficient integrity to be 'odometer readings of the car'.

51. Therefore, it is considered that the opening and closing odometer readings for each car journey detailed in the LogbookMe Solution logbook report satisfy the requirements of paragraph (d) of the definition of 'logbook records'.

52. Paragraph (e) of the definition of 'logbook records' requires the number of kilometres travelled by the car in the course of each business journey to be shown. This requirement is met as the LogbookMe Solution logbook report shows the total number of kilometres travelled during each trip.

53. Paragraph (f) of the definition of logbook records requires the purpose or purposes of the business journey to be recorded. This requirement will be met when the driver uses the Trip Log to classify the journey and record the purpose of the journey for inclusion in the LogbookMe Solution logbook report.

54. In addition, the definition of logbook records requires each of the entries to be made in the English language at, or as soon as reasonable practical after, the end of the journey. The first of these requirements is met as the entries are recorded in English.

55. Generally, the second of the requirements will be met as the driver at the end of each Trip Log receives an in-device notification prompt to classify the journey and record the purpose of the journey. However, there may be occasions on which it is not practical to enter this information at the end of the journey. In such a situation, the details can be entered at a later time using the Trip Log. If the entries are not entered within 48 hours of the trip being recorded on the system, the user will receive an email notification requesting that they login to the Trip Log to classify the outstanding journeys. Provided this occurs, it will be accepted that the entries were made as soon as practical after the end of the journey.

56. Therefore, the LogbookMe Solution logbook report will satisfy the requirements of the definition of 'logbook records' in subsection 136(1), provided the LogbookMe Solution logbook report is completed for an 'applicable log book period'.

57. The term 'applicable logbook period' is defined in subsection 162H(1) as follows:

162H(1) [Car fringe benefit]

For the purposes of the application of section 10 in relation to a car fringe benefit in relation to an employer in relation to a car while it was held by a particular person during a particular period (in this subsection called the '**holding period**') starting or ending in a year of tax, a reference to the applicable log book period is a reference to:

(a) if the holding period is a period of less than 12 weeks – the holding period; or

(b) in any other case – a continuous period of not less than 12 weeks that begins and ends during the holding period.

58. As the LogbookMe Solution logbook report will be kept for a minimum of a continuous 12 week period, it is accepted that the logbook will be completed for an 'applicable logbook period'.

(b) Does the LogbookMe Solution provide odometer records for an applicable log book period?

59. The term 'odometer records' is defined in subsection 136(1) as follows:

odometer records, in relation to a car, in relation to a period, means a document in which particulars of:

(a) the odometer reading of the car at the commencement of the period; and

(b) the odometer reading of the car at the end of the period; and

(c) ...

(d) (Omitted by No 145 of 1995)

(e) (Omitted by No 145 of 1995)

are entered in the English language, at, or as soon as reasonably practicable after, the respective times to which those odometer readings relate.

60. The definition of 'odometer records' in subsection 136(1), requires that odometer readings be recorded in relation to both the 'commencement of the period' and at the 'end of the period'.

61. As discussed above at paragraphs 50 and 51 of this Ruling, the LogbookMe Solution logbook report provides the opening and closing odometer readings for each journey undertaken during the period for which the LogbookMe Solution is used. In addition, the LogbookMe Solution summary report provides the opening and closing odometer readings for the period during which the LogbookMe Solution is used.

62. Therefore, as the LogbookMe Solution will be used for a minimum of a continuous 12 week period, it is accepted that both the LogbookMe Solution logbook report and the LogbookMe Solution summary report will provide odometer records for an applicable logbook period.

(c) Does the LogbookMe Solution provide odometer records for the holding period in a log book year of tax?

63. Paragraph 10A(b) requires odometer records to be maintained for the holding period.

64. As discussed above at paragraph 61 of this Ruling, the Logbook Me Solution logbook and summary reports provide odometer records for the period of the year in which the system is used. Therefore, where the LogbookMe Solution is used continuously for the whole of the period of the year for which the car is held, the LogbookMe Solution logbook and summary reports will provide the odometer records for the holding period.

65. However, if the LogbookMe Solution is not continuously used for the whole of the period of the year for which the car is held, neither report will provide both the start and end odometer readings for the holding period. For example, if the car is held for the full year, but the LogbookMe Solution is only used for the first 12 weeks of the year, the LogbookMe Solution logbook report and the LogbookMe Solution summary report will only provide the odometer reading as at the start of the holding period. Neither report will provide the odometer reading for the end of the year (the end of the holding period). Therefore, in such a situation, the end odometer reading will need to be separately recorded.

(d) Does the LogbookMe Solution enable the employer to estimate the number of business kilometres travelled during the holding period in a log book year of tax?

66. Paragraph 10A(d) requires the employer to estimate the number of business kilometres travelled by the car during the holding period. This estimate is used to calculate the business use percentage required by paragraph 10A(e).

67. The basis used to estimate the number of business kilometres is set out in section 162F which states:

For the purposes of this Act, the number of kilometres that represents a reasonable estimate of the number of business kilometres applicable to a car held by a person during a period in a year of tax shall be determined having regard to all relevant matters including, but without limiting the generality of the foregoing:

- (a) any logbook records, odometer records or other records maintained by or on behalf of the person; and
- (b) any variations in the pattern of use of the car.

68. The LogbookMe Solution uses the calculations of the kilometres travelled on the journeys classified as being a business journey during the period for which the system is used to calculate the total number of business kilometres travelled during the period. Therefore, where the LogbookMe Solution is used continuously for the whole of the period of the year for which the car is held, the LogbookMe Solution summary report will enable the employer to estimate the number of business kilometres travelled during the holding period.

69. However, if the LogbookMe Solution is not continuously used for the whole of the period of the year for which the car is held, the number of business kilometres recorded in the LogbookMe Solution summary will only be the business kilometres travelled during the period in which the LogbookMe Solution is used. In such a situation, the employer in estimating the number of business kilometres will need to take all relevant matters into account including the LogbookMe Solution logbook report, odometer records and any variations in the pattern of use of the car.

(e) Does the LogbookMe Solution enable the employer to specify the business use percentage for the holding period in a log book year of tax?

70. Subsection 136(1) defines 'business use percentage' to mean the percentage worked out using the formula:

$$\frac{\text{Number of business kilometres travelled by the car during the holding period}}{\text{Total number of kilometres travelled by the car during the holding period}} \times 100\%$$

71. Where the LogbookMe Solution is used continuously for the whole of the period of the year for which the car is held, it will calculate both the number of business kilometres and the total number of kilometres travelled by the car during the holding period. Using these calculations, the LogbookMe Solution is able to calculate the business use percentage for the holding period.

72. However, as discussed above in paragraphs 65 and 69 of this Ruling, where the LogbookMe Solution is not continuously used for the whole of the period of the year for which the car is held, the system will not record the number of business kilometres travelled during the holding period, nor the total number of kilometres travelled during the holding period. Therefore, in such a situation it will be necessary for the employer to separately determine the business use percentage using the estimated number of business kilometres and the odometer readings for the beginning and end of the holding period.

Conclusion on whether the LogbookMe Solution meets the requirements of section 10A in a log book year of tax

73. Where the LogbookMe Solution is used continuously for the whole of the period of the year for which the car is held, the LogbookMe Solution will meet all the necessary requirements of section 10A as:

- (a) the LogbookMe Solution logbook report will satisfy the definition of 'logbook records' in subsection 136(1);
- (b) the LogbookMe Solution logbook report and the LogbookMe summary report will provide odometer records for the applicable logbook period;
- (c) the LogbookMe Solution logbook report and the LogbookMe summary report will provide odometer records for the holding period;
- (d) the LogbookMe Solution summary report will provide the number of business kilometres travelled during the holding period;
- (e) the LogbookMe Solution summary report will specify the business use percentage for the holding period.

74. Where the LogbookMe Solution is not used continuously for the whole of the period of the year for which the car is held, the LogbookMe Solution will meet the requirements of section 10A that are in respect of the logbook period as:

- the LogbookMe Solution logbook report will satisfy the definition of 'logbook records' in subsection 136(1);
- the LogbookMe Solution logbook report and the LogbookMe summary report will provide odometer records for the applicable logbook period.

75. However, where the LogbookMe Solution is not used continuously for the whole of the period of the year for which the car is held, the LogbookMe Solution will not by itself satisfy the requirements of section 10A that are in respect of the holding period. To satisfy these requirements, an employer will need to:

- separately record the odometer readings for the beginning and end of the period of the year for which the car was held;
- estimate the number of business kilometres travelled by the car during the period of the year for which the car was held using all relevant matters including the LogbookMe Solution logbook report, odometer records and any variations in the pattern of use of the car;
- specify the business use percentage for the period of the year for which the car was held using the estimated number of business kilometres and the odometer readings for the beginning and end of the holding period.

Does the LogbookMe Solution meet the requirements of section 10B in a non-log book year of tax?

76. The requirements that must be met for a reduction of the operating cost of the car to be claimed on account of the business journeys undertaken during the holding period in a non logbook year of tax are set out in section 10B.

77. Section 10B requires that in a non logbook year of tax:

- (a) odometer records are maintained for the holding period;
- (b) the employer estimates the number of business kilometres travelled during the holding period;
- (c) the employer specifies the business use percentage for the holding period.

(a) Does the LogbookMe Solution provide odometer records for the holding period in a non-log book year of tax?

78. The requirement to keep odometer records for the holding period in a logbook year of tax was discussed at paragraphs 63 to 65 of this Ruling. As discussed in paragraph 65, where the LogbookMe Solution is not continuously used for the whole of the period of the year for which the car is held, the employer will need to separately maintain the odometer readings for the holding period.

79. Therefore, in a non-log book year of tax when the LogbookMe Solution is not used for the whole holding period in the year of tax, the employer will need to separately maintain the odometer records for the holding period.

(b) Does the LogbookMe Solution enable the employer to estimate the number of business kilometres travelled during the holding period in a non-log book year of tax?

80. The estimation of the number of business kilometres travelled during the holding period in a logbook year of tax was discussed at paragraphs 66 to 69 of this Ruling. As discussed in paragraph 69, where the LogbookMe Solution is not used for the whole of the period of the year for which the car is held, the employer in estimating the number of business kilometres travelled during the holding period will need to consider all relevant matters including the LogbookMe Solution logbook report, odometer records and any variations in the pattern of use of the car.

81. Therefore, in a non logbook year of tax when the LogbookMe Solution is not used for the whole holding period in the year of tax, the employer will need to separately estimate the number of business kilometres travelled by the car during the holding period using all relevant matters including the LogbookMe Solution logbook report, odometer records and any variations in the pattern of use of the car.

(c) Does the LogbookMe Solution enable the employer to specify a percentage as the business use percentage for the holding period in a non-log book year of tax?

82. The requirement to specify a business use percentage in a logbook year of tax was discussed at paragraphs 70 to 72 of this Ruling. As discussed in paragraph 72, where the LogbookMe Solution is not used for the whole of the period of the year for which the car is held, it will be necessary for the employer to separately determine the business use percentage using the estimated number of business kilometres and the odometer readings for the beginning and end of the holding period.

83. Therefore, in a non-log book year of tax when the LogbookMe Solution is not used for the whole holding period in the year of tax, the employer will need to separately determine the business use percentage using the estimated number of business kilometres and the odometer readings for the beginning and end of the holding period.

Conclusion on whether the LogbookMe Solution meets the requirements of section 10B in a non-log book year of tax

84. An employer who does not use the LogbookMe Solution in the current year, but has used the system in one of the previous four years will be entitled to a reduction of operating costs of the car under section 10B if:

- odometer readings for the beginning and end of the period of the year for which the car is held are separately recorded;
- an estimate is made of the number of business kilometres travelled by the car during the period of the year for which the car is held using all relevant matters including the LogbookMe Solution logbook report, odometer records and any variations in the pattern of use of the car;
- the business use percentage for the period of the year for which the car is held is specified using the estimated number of business kilometres and the odometer readings for the beginning and end of the holding period.

Appendix 2 – Detailed contents list

85. The following is a detailed contents list for this Ruling:

	Paragraph
What this Ruling is about	1
Relevant provision(s)	2
Class of entities	3
Qualifications	4
Date of effect	7
Scheme	8
In-Car Device	11
Platform	15
Trip Log	18
The Portal	20
Reports	25
<i>The LogbookMe Solution logbook report</i>	26
<i>The LogbookMe Solution summary report</i>	27
Ruling	31
Appendix 1 – Explanation	36
What is the operating cost method for the purposes of the FBTA?	36
Does the LogbookMe Solution meet the requirements of section 10A in a log book year of tax?	42
<i>(a) Does the LogbookMe Solution provide logbook records for an applicable log book period?</i>	43
<i>(b) Does the LogbookMe Solution provide odometer records for an applicable log book period?</i>	59
<i>(c) Does the LogbookMe Solution provide odometer records for the holding period in a log book year of tax?</i>	63
<i>(d) Does the LogbookMe Solution enable the employer to estimate the number of business kilometres travelled during the holding period in a log book year of tax?</i>	66
<i>(e) Does the LogbookMe Solution enable the employer to specify the business use percentage for the holding period in a log book year of tax?</i>	70
<i>Conclusion on whether the LogbookMe Solution meets the requirements of section 10A in a log book year of tax</i>	73
Does the LogbookMe Solution meet the requirements of section 10B in a non-log book year of tax?	76
<i>(a) Does the LogbookMe Solution provide odometer records for the holding period in a non-log book year of tax?</i>	78

<i>(b) Does the LogbookMe Solution enable the employer to estimate the number of business kilometres travelled during the holding period in a non-log book year of tax?</i>	80
<i>(c) Does the LogbookMe Solution enable the employer to specify a percentage as the business use percentage for the holding period in a non-log book year of tax?</i>	82
<i>Conclusion on whether the LogbookMe Solution meets the requirements of section 10B in a non-log book year of tax</i>	84
Appendix 2 – Detailed contents list	85

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