


TD 93/D192 - Fringe benefits tax: where an employer leases employee parking in a commercial parking station should the value of any car parking fringe benefit (under section 39C of the Fringe Benefits Tax Assessment Act 1986) be the value under the lease at that commercial parking station?

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This document has been finalised by [TD 93/198](#).

Draft Taxation Determinations (TDs) represent the preliminary, though considered, views of the ATO. Draft TDs may not be relied on; only final TDs are authoritative statements of the ATO.

Draft Taxation Determination

Fringe benefits tax: where an employer leases employee parking in a commercial parking station should the value of any car parking fringe benefit (under section 39C of the *Fringe Benefits Tax Assessment Act 1986*) be the value under the lease at that commercial parking station?

1. No. Section 39C (the "commercial parking station" method) provides that the taxable value of a car parking benefit may be determined by reference to the lowest fee charged in the ordinary course of business to members of the public by **any** commercial parking station located within a 1 km radius of the premises on which the vehicle is parked.
2. The amount charged under the lease is not relevant. It is the amount charged by the operator to members of the public which is used to calculate the taxable value under section 39C. Further, section 39C does not restrict an employer to using the value obtained from the commercial parking station at which the car parking facilities are provided. The lowest fee charged at any commercial parking station within a 1 km radius is to be used.

Example:

X Pty Ltd leases the third floor of the ABC Carpark for use by its employees to park when at work. The lease value equates to \$4 per day per car parking space, however, this value is not relevant for the purposes of section 39C. The lowest fee (daily rate equivalent) charged by ABC Carpark to members of the public is \$5. The lowest fee (daily rate equivalent) charged to members of the public by XYZ Carpark which is 500m down the road is only \$2. For the purposes of valuing their car parking fringe benefits under section 39C, X Pty Ltd could choose the lower rate of \$2 per benefit.

Commissioner of Taxation
12/8/93

FOI INDEX DETAIL: Reference No.

Related Determinations: 93/71; 93/72; 93/106; 93/107

Related Rulings: 93/18

Subject Ref: fringe benefits; car parking; valuation

Legislative Ref: FBTA 39C

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