


MT 2024 - Fringe benefits tax : dual cab vehicles eligibility for exemption where private use is limited to certain work-related travel

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 [Note: This is a consolidated version of this document. Refer to the Tax Office Legal Database (<http://law.ato.gov.au>) to check its currency and to view the details of all changes.]

 This document has changed over time. This is a consolidated version of the ruling which was published on *19 January 2000*

TAXATION RULING NO. MT 2024

FRINGE BENEFITS TAX : DUAL CAB VEHICLES
ELIGIBILITY FOR EXEMPTION

F.O.I. EMBARGO: May be released

REF H.O. REF: L85/10-3 DATE OF EFFECT: Immediate

B.O. REF: DATE ORIG. MEMO ISSUED:

F.O.I. INDEX DETAIL

| REFERENCE NO: | SUBJECT REFS: | LEGISLAT. REFS: |
|---------------|---------------------|---|
| I 1210185 | FRINGE BENEFITS TAX | FRINGE BENEFITS TAX ASSESSMENT ACT: S.8, 47 and 136 |

PREAMBLE

Generally speaking, a liability for FBT arises where an employer's motor vehicle is used by an employee for private purposes or is available for the private use of an employee. However, under sub-sections 8(2) and 47(6) of the Fringe Benefits Tax Assessment Act ("the Act"), a liability for FBT will not arise where the private use of certain vehicles by employees during a particular year of tax is limited to certain work-related travel and non-work-related use that is minor, infrequent and irregular. This would include the occasional use of the vehicle to remove domestic rubbish. (Note for the purpose of this Ruling work-related use includes work-related travel and private use that is minor, infrequent and irregular). Work-related travel is defined in sub-section 136(1) of the Act to be travel between the employee's residence and place of employment or other place at which employment duties are performed and any travel that is incidental to travel in the course of performing duties of employment.

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2. This Office has been asked whether vehicles known as dual cabs are capable of qualifying for this work-related use exemption. Broadly, dual cabs are variants of conventional goods vehicles under which additional seating positions are provided behind the driver and front-passenger seats. They share a common chassis to which the single or dual passenger cab and alternate tray sections may be fitted.

3. Vehicles that may qualify for this exemption are, firstly, those that are not classified as a car (as defined in sub-section 136(1)) for the purposes of Division 2 of Part III of the Act, i.e. vehicles other than -

- . a motor car, station wagon, panel van, utility truck or similar vehicle, designed to carry a load of less than one tonne; or
- . any other road vehicle designed to carry a load of less than one tonne or fewer than nine passengers.

Such vehicles may qualify for the work-related use exemption under sub-section 47(6).

4. Alternatively, under sub-section 8(2), a vehicle may qualify for the exemption if, while classified as a car for the purposes of Division 2 of Part III of the Act, it is a taxi, panel van, utility truck or any other road vehicle that, while designed to carry a load of less than one tonne, is not designed for the principal purpose of carrying passengers.

RULING

5. The classification of motor vehicles under the FBT law is expressed in the same terms as that used in the income tax law e.g., sub-section 82AF(2) of the Income Tax Assessment Act 1936, which applied to exclude from the income tax investment allowance certain motor vehicles. As such, the interpretation of those provisions provides an appropriate base from which to determine the operation of the FBT law.

6. Dual cabs, particularly those of lesser load capacities, are commonly fitted with styled steel well bodies and are often referred to as "utes" in advertising material. An initial question to be determined therefore in deciding the eligibility of dual cabs for the work-related use exemption is whether they qualify as "utility trucks" within the meaning of paragraph (a) of the definition of car in sub-section 136(1) and, accordingly, within the meaning of sub-section 8(2). If dual cabs are in fact utility trucks within the meaning of sub-section 8(2), it follows that they would qualify for the concession afforded by that sub-section irrespective of their load or passenger carrying design features.

7. The meaning of utility truck as expressed in sub-section 82AF(2) of the Income Tax Assessment Act 1936 - which is expressed in identical terms to the definition of car in sub-section 136(1) - was considered in Case M10, 80 ATC 77; Case 92, 23 CTBR(NS) 869. Based on that decision, the term utility truck as used in sub-section 136(1) and, accordingly sub-section 8(2), is seen as being restricted to derivatives of motor cars. Crew cabs could not be so described (see description in the preamble).

8. It follows that crew cabs will be capable of qualifying for the work-related use exemption only if either of the following tests are satisfied -

(a) they are designed to carry a load of one tonne or more, or more than eight passengers (sub-section 47(6)); or

(b) while having a designed load capacity of less than one tonne, they are not designed for the principal purpose of carrying passengers (sub-section 8(2)).

9. Current model crew cabs have a maximum seating capacity of seven and, as such, could not qualify under the second limb of (a).

10. Whether a particular vehicle is designed to carry a load of one tonne or more is to be determined on the same basis as that applied in determining eligibility for the former income tax investment allowance.

11. Consistent with that approach, the designed load capacity of a motor vehicle is to be taken as the gross vehicle weight as specified on the compliance plate by the manufacturer (broadly, the maximum all-up loaded weight), reduced by the basic kerb weight of the vehicle. For this purpose, basic kerb weight

is synonymous with unladen weight, as specified in the Australian Design Rules, being the weight of the vehicle with a full tank of fuel, oil and coolant together with spare wheel, tools (including jack) and installed options. It does not include the weight of goods or occupants.

12. In the case of cab/chassis vehicles, the designed load capacity is to be ascertained after the body has been fitted to the vehicle, i.e. to satisfy the one tonne test, the margin between the gross vehicle weight and the basic kerb weight must not be less than one tonne plus the weight of the body which is ultimately attached to the vehicle.

13. Where, on the application of this test, it can be concluded that a particular dual cab model has a designed load capacity of one tonne or more, there will be no FBT liability if employee use of the vehicle during a particular FBT year consists solely of eligible work-related travel or private travel which is minor, infrequent and irregular.

14. As previously mentioned, a dual cab that has a designed load carrying capacity of less than one tonne may still qualify for the work-related use exemption, under sub-section 8(2), if the vehicle is not designed for the principal purpose of carrying passengers. It is considered that the appropriate basis for determining this issue is whether or not the majority of the designed load capacity is attributable to passenger carrying capacity. It is understood that this approach is consistent with that adopted under the Australian Design Rules in determining what is a passenger vehicle.

15. For this purpose the designed passenger carrying capacity is to be determined by multiplying the designed seating capacity (including the driver's) by 68 kg, which is the figure adopted for the purposes of the application of the Australian Design Rules.

16. If the total passenger weight so determined exceeds the remaining "load" capacity, the vehicle is to be treated as being designed for the principal purpose of carrying passengers and as such ineligible for work-related use exemption.

17. By way of illustration, if a vehicle has a gross vehicle weight of 2,000 kgs, a basic kerb weight of 1,400 kgs, and has a designed seating capacity of five, the vehicle would be considered to be a vehicle designed principally for the carriage of passengers. This is because the total load capacity is 600 kgs of which the majority, 340 kgs, would be absorbed by its designed passenger carrying capacity.

18. The position of current release dual cab vehicles has been reviewed on the basis of published information made available to this office. The results are detailed in the attachment.

19. Of those vehicles listed as being eligible for the work-related use exemption, the majority do so on the basis that they have a designed load capacity of one tonne or more. The remaining vehicles satisfy the requirement of not being designed principally for the carriage of passengers.

20. Accordingly, provided that employee use of these dual cab vehicles in a particular FBT year is restricted to travel to and from work and any travel that is incidental to travel in the

course of performing duties of employment, there will be no FBT liability.

21. The models listed as being ineligible for the concession are designed to carry a load of less than one tonne and, on the application of the test detailed above, are designed principally for the carriage of passengers.

COMMISSIONER OF TAXATION

1 September 1986

APPENDIX

ATTACHMENT

Dual Cabs

Eligible for Exemption

| Make | Description |
|-------------------|--|
| Nissan Navara | 4x2 2.4 litre petrol Ute Dual Cab DX |
| Nissan Navara | 4x2 2.4 litre petrol Ute Dual Cab ST |
| Nissan Navara | 4x2 2.7 litre diesel Ute Dual Cab DX |
| Nissan Navara | 4x4 2.4 litre petrol Ute Dual Cab DX |
| Nissan Navara | 4x4 3.2 litre diesel Ute Dual Cab DX |
| Nissan Navara | 4x4 3.2 litre diesel Ute Dual Cab ST |
| Mitsubishi Triton | Double Cab GLX 5 speed manual |
| Mitsubishi Triton | Double Cab GLX 4 speed auto |
| Mitsubishi Triton | Double Cab GLX 5 speed manual Diesel |
| Mitsubishi Triton | 4WD Double Cab GLX 5 speed manual |
| Mitsubishi Triton | 4WD Double Cab GLX 5 speed manual Diesel |
| Mitsubishi Triton | 4WD Double Cab GLS 5 speed manual |
| Mitsubishi Triton | 4WD Double Cab GLS 4 speed auto |
| Holden Rodeo V6 | 4x2 3.2 litre Petrol Crew Cab Pick Up LX 5 Speed manual |
| Holden Rodeo V6 | 4x2 3.2 litre Petrol Crew Cab Pick Up LX 4 Speed auto |
| Holden Rodeo V6 | 4x2 3.2 litre Petrol Crew Cab Pick Up LT 5 Speed manual |
| Holden Rodeo V6 | 4x2 3.2 litre Petrol Crew Cab Pick Up LT 4 Speed auto |
| Holden Rodeo V6 | 4WD 3.2 litre Petrol Crew Cab Pick Up LX 5 speed manual L/S Diff |
| Holden Rodeo V6 | 4WD Diesel 2.8 litre Crew cab LX 5 speed manual L/S Diff |

| Make | Description |
|--------------|--|
| Holden Rodeo | 4x2 2.2 litre petrol pick up Crew Cab DX 5 speed manual power steering |
| Mazda Bravo | 4x2 2.6 litre petrol dual cab ute DX 5 speed manual |
| Mazda Bravo | 4WD 2.6 litre petrol dual cab ute DX 5 speed manual |
| Mazda Bravo | 4WD 2.6 litre petrol dual cab ute SDX 5 speed manual |
| Mazda Bravo | 4WD 2.5 litre diesel turbo dual cab ute DX 5 speed manual |
| Mazda Bravo | 4WD 2.5 litre diesel turbo dual cab ute SDX 5 speed manual |
| Toyota Hilux | 4x2 Standard petrol dual cab ute |
| Toyota Hilux | 4x2 Standard diesel dual cab ute |
| Toyota Hilux | 4WD Standard petrol double cab ute |
| Toyota Hilux | 4WD SR5 petrol dual cab ute |
| Toyota Hilux | 4WD Standard diesel double cab ute |
| Toyota Hilux | 4WD SR5 diesel double cab ute |
| Ford Courier | 4x2 Crew cab chassis 2.6 litre petrol GL manual |
| Ford Courier | 4x2 Crew cab pickup 2.6 litre petrol GL manual |
| Ford Courier | 4x2 Crew cab pickup 2.6 litre petrol GL auto |
| Ford Courier | 4x2 Crew cab pickup 2.6 litre petrol XL manual |
| Ford Courier | 4x2 Crew cab pickup 2.6 litre petrol XL auto |
| Ford Courier | 4x2 Crew cab pickup turbo diesel GL manual |
| Ford Courier | 4WD Crew cab chassis 2.6 litre petrol GL |
| Ford Courier | 4WD Crew Cab Pickup 2.6 litre petrol GL |
| Ford Courier | 4WD Crew Cab Chassis turbo diesel GL |
| Ford Courier | 4WD Crew Cab Pickup turbo diesel GL |
| Ford Courier | 4WD Crew Cab Pickup turbo diesel XL |

Single cab Utes

Eligible for Exemption

| Make | Description |
|-----------------------|--|
| Nissan Navara | 4x2 2.4 litre Petrol Single Cab/Chassis STD |
| Nissan Navara | 4x2 2.4 litre Petrol Single Cab/Chassis DX |
| Nissan Navara | 4x2 2.7 litre Diesel Single Cab/Chassis DX |
| Nissan Navara | 4x4 2.4 litre Petrol Single Cab/Chassis DX |
| Nissan Navara | 4x4 3.2 litre Diesel Single Cab/Chassis STD |
| Nissan Navara | 4x4 3.2 litre Diesel Single Cab/Chassis DX |
| Mitsubishi Triton | Cab Chassis 5 speed manual |
| Mitsubishi Triton | Cab Chassis 4 speed auto GLX |
| Mitsubishi Triton | Cab Chassis 5 speed manual Diesel |
| Mitsubishi Triton | 2WD Club Cab GLX 5 speed manual |
| Mitsubishi Triton | 2WD Club Cab GLX 4 speed auto |
| Mitsubishi Triton | Cab Chassis GLX 5 speed manual |
| Mitsubishi Triton | Cab Chassis GLX 5 speed manual Diesel |
| Mitsubishi Triton | Club Cab GLX 5 speed manual |
| Holden Ute Series III | Ecotec V6 |
| Holden Ute Series III | 179kw* V8 |
| Holden Rodeo V6 | 4x2 3.2 litre Petrol s/cab chassis LX 5 speed manual |
| Holden Rodeo V6 | 4x2 3.2 litre Petrol s/cab chassis LX 5 speed manual with L/S Diff |
| Holden Rodeo V6 | 4x2 3.2 litre Petrol s/cab chassis LX 4 speed auto |
| Holden Rodeo V6 | 4x2 3.2 litre Petrol s/cab chassis LX 4 speed auto with L/S Diff |
| Holden Rodeo V6 | 4WD 3.2 litre Petrol s/cab chassis LX 5 speed manual L/S Diff |
| Holden Rodeo | 4WD 2.6 litre petrol space cab LS 5 speed man L/S Diff |
| Holden Rodeo | 4WD 2.8 litre diesel s/cab DX 5 speed manual L/S Diff |
| Holden Rodeo | 4WD 2.8 litre diesel s/cab LX 5 speed manual L/S Diff |
| Holden Rodeo | 4WD 2.8 litre diesel space cab LX 5 speed manual L/S Diff |
| Holden Rodeo | 4x2 2.2 litre single cab chassis DX 5 speed manual |

| Make | Description |
|--------------|--|
| Holden Rodeo | 4x2 2.2 litre single cab chassis DX 5 speed manual power steer |
| Holden Rodeo | 4x2 2.2 litre single cab pickup DX 5 speed manual power steer |
| Mazda Bravo | 4x2 2.6 litre petrol single cab chassis DX 5 speed manual |
| Mazda Bravo | 4x2 2.6 litre petrol single cab ute DX 5 speed manual |
| Mazda Bravo | 4x2 2.6 litre petrol cab plus ute DX 5 speed manual |
| Mazda Bravo | 4x2 2.5 litre diesel turbo single cab chassis DX 5 speed man |
| Mazda Bravo | 4WD 2.6 litre petrol single cab chassis DX 5 speed man |
| Mazda Bravo | 4WD 2.6 litre petrol cab plus cab chassis DX 5 speed man |
| Mazda Bravo | 4WD 2.6 litre petrol cab plus ute DX 5 speed man |
| Mazda Bravo | 4WD 2.5 litre diesel turbo single cab chassis DX 5 speed man |
| Mazda Bravo | 4WD 2.5 litre diesel turbo cab plus cab chassis DX 5 speed man |
| Toyota Hilux | 4x2 Workmate petrol single cab ute |
| Toyota Hilux | 4x2 Workmate petrol single cab chassis |
| Toyota Hilux | 4x2 Standard petrol single cab ute |
| Toyota Hilux | 4x2 Standard petrol cab chassis |
| Toyota Hilux | 4x2 Standard diesel single cab ute |
| Toyota Hilux | 4x2 Standard diesel cab chassis |
| Toyota Hilux | 4x2 Xtra petrol ute |
| Toyota Hilux | 4WD Standard petrol single cab ute |
| Toyota Hilux | 4WD Standard petrol cab chassis |
| Toyota Hilux | 4WD Xtra standard petrol ute |
| Toyota Hilux | 4WD Standard diesel single cab ute |
| Toyota Hilux | 4WD Standard diesel cab chassis |
| Toyota Hilux | 4WD Xtra standard diesel ute |
| Toyota Hilux | 4WD Xtra standard diesel cab chassis |
| Ford Courier | 4x2 Single chassis 2.6 litre petrol GL manual |
| Ford Courier | 4x2 Single chassis 2.6 litre petrol GL auto |
| Ford Courier | 4x2 Single Pickup 2.6 litre petrol GL manual |
| Ford Courier | 4x2 Single chassis turbo diesel GL manual |

| Make | Description |
|--------------|--|
| Ford Courier | 4WD Single chassis 2.6 litre petrol GL |
| Ford Courier | 4WD Super Pickup 2.6 litre petrol XL |
| Ford Courier | 4WD Single chassis turbo diesel GL |
| Ford Courier | 4WD Super Chassis turbo diesel XL |
| Ford Courier | 4WD Super Pickup turbo diesel XL |

Four Wheel Drives and Vans

Eligible for Exemption

| Make | Description |
|------------------------|-----------------------------------|
| Mitsubishi Express | SWB Petrol Manual |
| Mitsubishi Express | Window Van |
| Mitsubishi Express | SWB Petrol Auto |
| Mitsubishi Express | MWB Petrol Auto |
| Mitsubishi Express | 4WD Manual |
| Mitsubishi Express | MWB Diesel Manual |
| Mitsubishi Express | MWB 'Walkthru' Manual |
| Mitsubishi Express | MWB 'Walkthru' Auto |
| Toyota Townace SBV | 4 Door 2 seater Semi Bonneted Van |
| Toyota Hiace SBV | 2 seater Semi Bonneted Blind Van |
| Holden Combo | Panel Van, 2 seater |
| Volkswagen Transporter | 2.0L SWB |
| Volkswagen Transporter | 2.5L SWB |
| Volkswagen Transporter | 2.5L LWB |
| Volkswagen Transporter | 2.5L SWB Single Cab Chassis |
| Volkswagen Transporter | 2.5L LWB Double Cab Chassis |
| Toyota Dyna | Double Cab Pickup |
| Toyota Landcruiser | Troop Carrier |
| Ford Econovan | 4m Van |
| Ford Econovan | 4.4m Van |
| Ford Econovan | 4.7m Cab Chassis |
| Ford Transit | SWB Van |
| Ford Transit | LWB Van |
| Ford Transit | Chassis Cab |

Four Wheel Drives and Vans

Ineligible for Exemption

| Make | Description |
|--------------------------|----------------------------------|
| Mitsubishi Pajero | SWB GLS Petrol Manual |
| Mitsubishi Pajero | SWB GLS Petrol Automatic |
| Mitsubishi Pajero | SWB GL Petrol Manual |
| Mitsubishi Pajero | SWB GL Diesel Manual |
| Mitsubishi Pajero | SWB GLX Diesel Manual |
| Mitsubishi Pajero | LWB Escape Petrol Manual |
| Mitsubishi Pajero | LWB Escape Petrol Automatic |
| Mitsubishi Pajero | LWB GLS Petrol Manual |
| Mitsubishi Pajero | LWB GLS Petrol Automatic |
| Mitsubishi Pajero | LWB GLS Diesel Manual |
| Mitsubishi Pajero | LWB Exceed Petrol Manual |
| Mitsubishi Pajero | LWB Exceed Petrol Automatic |
| Mitsubishi Challenger | Manual |
| Mitsubishi Challenger | Auto |
| Kia Sportage | Petrol 5 Speed Manual |
| Nissan Pathfinder | Standard |
| Nissan Pathfinder | Ti |
| Nissan Patrol | DX 2.8 Litre turbo diesel manual |
| Nissan Patrol | ST 2.8 litre turbo diesel manual |
| Nissan Patrol | DX 4.2 litre diesel manual |
| Nissan Patrol | ST 4.2 litre turbo diesel manual |
| Nissan Patrol | St 4.5 litre petrol manual |
| Nissan Patrol | ST 4.5 litre petrol automatic |
| Nissan Patrol | Ti 4.5 litre petrol automatic |
| Toyota Prado RV | RV RZJ95R-GKMNKQ |
| Toyota Prado RV6 | RZJ95R-GKPNKQ |
| Toyota Prado RV6 | VZJ95R-GKMNKQ |
| Toyota Prado RV6 | VZJ95R-GKPNKQ |
| Toyota Prado GXL | VZJ95R-GKMNKQ |
| Toyota Prado GXL | VZJ95R-GKPNKQ |
| Toyota Prado (Grande) | VZJ95R-GKPEKQ |
| Toyota Landcruiser Snowy | Petrol Manual |
| Toyota Landcruiser Snowy | Petrol Auto |
| Toyota Landcruiser Snowy | Diesel Manual |
| Toyota Landcruiser Snowy | Diesel Auto |
| Holden Jackaroo | Base Manual 8DQ35-261 |
| Holden Jackaroo | SE Diesel 8DS35661 |

| Make | Description |
|------------------------|----------------------|
| Holden Jackaroo | Manual 8DQ35-251 |
| Holden Jackaroo | Auto 8DQ35-252 |
| Holden Jackaroo SE | Manual 8DS35-651 |
| Holden Jackaroo SE | Auto 8DS35-652 |
| Holden Monteray | Auto 8DT35-952 |
| Jeep Cherokee | Sport |
| Jeep Cherokee | Turbo Diesel |
| Jeep Grand Cherokee | Laredo |
| Jeep Grand Cherokee | Limited |
| Ford Explorer XL | Auto |
| Ford Explorer XL | Manual |
| Ford Explorer XLT | Auto |
| Ford Explorer Limited | Auto |
| Ford Explorer Limited | Manual |
| Toyota Spacia | Manual |
| Toyota Spacia | Automatic |
| Mazda MPV | |
| Mitsubishi Starwagon | Satellite Manual |
| Mitsubishi Starwagon | Satellite Auto |
| Mitsubishi Starwagon | GL Manual |
| Mitsubishi Starwagon | GL Automatic |
| Mitsubishi Starwagon | GLX Automatic |
| Toyota Tarago | GLI TCR10R-RRMDKQ |
| Toyota Tarago | GLI TCR10R-RRSDKQ |
| Toyota Tarago | GLX TCR11R-RRSGKQ |
| Toyota Tarago | Ultima TCR11R-RRSGKQ |
| Chrysler Voyager | Auto |
| Chrysler Grand Voyager | Auto |
| Volkswagen Caravelle | 8 seater van |