

ST 2297 - SALES TAX : DIGITAL DIARY, AN ELECTRONIC LOGGING DEVICE

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TAXATION RULING NO. ST 2297

SALES TAX : DIGITAL DIARY, AN ELECTRONIC LOGGING DEVICE

F.O.I. EMBARGO: May be released

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F.O.I. INDEX DETAIL

| REFERENCE NO: | SUBJECT REFS: | LEGISLAT. REFS: |
|---------------|---------------------------------|--|
| I 1177182 | DIGITAL DIARY ELECTRONIC LOG | SALES TAX (EXEMPTIONS AND CLASSIFICATIONS) ACT |

PREAMBLE Consideration has recently been given to the sales tax classification of a digital diary for use in motor vehicles for recording details of vehicle usage.

FACTS 2. The digital diary is designed to record information for taxation and business purposes and does away with the necessity to record information in log books. It can be installed and calibrated into any modern vehicle and with the touch of one button, automatically records date, time, odometer reading, kilometres travelled, vehicle registration, whether it is a business or private trip and driver identification. A beeper sounds continuously if user data is not entered before starting the vehicle.

3. The unit is a compact, hand sized solid state memory device activated by the ignition switch each time the vehicle is used. Each user can be allocated an individual identification number and frequently used destinations can also be assigned a unique code.

4. The data collected in the digital diary is transferred to a computer and two report forms can be produced. The first report, a vehicle usage report, can be used for auditing vehicle usage and lists in chronological order all user names, whether business or private use, distance travelled and destinations. The second report which can be used for taxation purposes provides a listing of all trips undertaken by an employee and provides details such as date, time, distance, whether private or business use and destination.

5. Stationery or log books in which this type of information would otherwise be recorded are not exempt from sales tax and are taxable at the general rate.

RULING 6. There is no provision in the First Schedule to the Sales Tax (Exemptions and Classifications) Act that would exempt the Digital Diary. It is taxable at the general rate of 20%.

COMMISSIONER OF TAXATION
29 October 1986