

TD 93/198 - Fringe benefits tax: where an employer leases 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 changed over time. This is a consolidated version of the ruling which was published on *21 October 1993*

This Determination, to the extent that it is capable of being a 'public ruling' in terms of Part IVAAA of the *Taxation Administration Act 1953*, is a public ruling for the purposes of that Part. Taxation Ruling TR 92/1 explains when a Determination is a public ruling and how it is binding on the Commissioner. Unless otherwise stated, this Determination applies to years commencing both before and after its date of issue. However, this Determination does 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 the Determination (see paragraphs 21 and 22 of Taxation Ruling TR 92/20).

Taxation Determination

Fringe benefits tax: where an employer leases 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. 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. 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.

2. The amount charged under the lease will not necessarily be a fee which is generally available to the members of the public or, where parking is available to members of the public at that fee, it may not be the lowest fee available within a 1 km radius. It is only the amount charged by an operator to members of the public which is used to calculate the taxable value under section 39C (this amount may equate to the lease fee). Further, it is the lowest fee charged at any commercial parking station within a 1 km radius which may 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 (daily rate equivalent) but this rate is not generally available to members of the public so it cannot be used for the purposes of section 39C. The lowest fee charged by ABC Carpark to members of the public is \$5. The lowest fee 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 may choose to value the benefit at the lower of the two available fees (\$5 at ABC Carpark or \$2 at XYZ Carpark) ie. the \$2 fee.

Commissioner of Taxation

21/10/93

Related Determinations: TD 93/71; TD 93/72; TD 93/106; TD 93/107, TD 93/199

Related Rulings: 93/18

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