



TD 93/199 - Fringe benefits tax: is the cost of nearby car parking relevant in determining the taxable value of a car parking fringe benefit under section 39D (the "market value" basis) of the Fringe Benefits Tax Assessment Act 1986 ?

 This cover sheet is provided for information only. It does not form part of *TD 93/199 - Fringe benefits tax: is the cost of nearby car parking relevant in determining the taxable value of a car parking fringe benefit under section 39D (the "market value" basis) of the Fringe Benefits Tax Assessment Act 1986 ?*

 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: is the cost of nearby car parking relevant in determining the taxable value of a car parking fringe benefit under section 39D (the "market value" basis) of the *Fringe Benefits Tax Assessment Act 1986*?

1. Yes. Where there is parking of a similar standard to that being valued near the employer provided parking, the cost and availability of that parking will be a relevant consideration in determining the taxable value of the car parking fringe benefit.
2. However, it is not appropriate that the taxable value of car parking fringe benefit be determined solely by reference to the cost of similar nearby car parking where the price of that car parking is artificially inflated by virtue of a monopoly or due to the availability of a captive market.

Examples:

Seaside Shire Council provides parking to employees in a parking area in which parking is also available to members of the public at no cost. In determining the value of the car parking fringe benefit provided by the Council to its employees, it is appropriate for a valuer to consider the availability of that free public parking.

Untitled Airlines provides parking to its employees on premises adjacent to Capital Airport. All the surrounding public parking is either leased from the Airport Authority, or is operated by the Authority, and is provided to the public at a minimum cost of \$20 per day. In determining the market value of the parking provided to the employees of Untitled, it is appropriate to take into account that the value is inflated by the existence of a captive market for public parking and the monopoly held by the Authority (as reflected in the cost of the nearby parking).

Commissioner of Taxation

21/10/93

FOI INDEX DETAIL: Reference No. I 1216324

Previously issued as Draft TD 93/D193

Related Determinations: TD 93/71; TD 93/72; TD 93/106; TD 93/107; TD 93/198

Related Rulings: 93/18

Subject Ref: fringe benefits; car parking; valuation; considerations

Legislative Ref: FBTA 39D

Case Ref:

ATO Ref: FBT Cell 30/44

ISSN 1038 - 8982