


TD 93/D193 - 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?

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This document has been finalised by TD 93/199.

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: 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 ample parking of a similar standard to that being valued near the employer provided parking, the cost and availability of that parking will generally 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 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 travelling 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 that the value be reduced to take into account the artificial value created 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

12/8/93

FOI INDEX DETAIL: Reference No.

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Related Rulings: 93/18

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

Legislative Ref: FBTA 39D

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