



Status: **legally binding**

Class Ruling

SmarTrak Aust Pty Ltd – PoolCar booking system for fringe benefits tax car logbook and odometer records

❶ Relying on this Ruling

This publication (excluding appendix) is a public ruling for the purposes of the *Taxation Administration Act 1953*.

If this Ruling applies to you, and you correctly rely on it, we will apply the law to you in the way set out in this Ruling. That is, you will not pay any more tax or penalties or interest in respect of the matters covered by this Ruling.

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What this Ruling is about

1. This Ruling sets out the fringe benefits tax (FBT) consequences for employer clients of SmarTrak Aust Pty Ltd who use SmarTrak Aust Pty Ltd's vehicle logbook system (PoolCar booking system) for car logbook records and odometer records. In particular, this Ruling sets out when the reports generated by the PoolCar booking system can be utilised to reduce the operating costs in both a logbook year of tax and a non-logbook year of tax for the purpose of calculating the taxable value of a car fringe benefit using the cost basis method.

2. Details of this scheme are set out in paragraphs 21 to 41 of this Ruling.

3. All legislative references in this Ruling are to the *Fringe Benefits Tax Assessment Act 1986* (FBTAA).

Note: by issuing this Ruling, the ATO is not endorsing this product. Potential purchasers or users must form their own view about the product.

Who this Ruling applies to

4. This Ruling applies to you if you are an employer who uses the PoolCar booking system to keep car logbook records and odometer records for the purposes of calculating the taxable value of a car fringe benefit using the cost basis method.

Date of effect

5. This Ruling applies both before and after its date of issue.

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6. Section 10 allows employers to elect to calculate the taxable value of a car fringe benefit using the cost basis method (operating cost method).

7. Where the election is made, the taxable value of the car fringe benefit using the cost basis method is calculated according to the formula in subsection 10(2).

8. In accordance with this formula, an employer intending to claim a reduction in the operating cost of a car, on account of business journeys undertaken during the holding period, must meet the requirements of either section 10A (if the year is a 'logbook year of tax' (as defined in subsection 136(1)) or section 10B (if the year is not a 'logbook year of tax'), as applicable.

9. Section 10A states:

Where one or more car fringe benefits in relation to an employer in relation to a year of tax relate to a car while it was held by a particular person (in this section called the **provider**) during a particular period (in this section called the **holding period**) in a year of tax that is a logbook year of tax of the employer in relation to the car, the employer is entitled to a reduction in the operating cost of the car on account of business journeys undertaken in the car during the holding period if, and only if:

- (a) logbook records and odometer records are maintained by or on behalf of the provider for an applicable logbook period in relation to the car, and
- (b) odometer records are maintained by or on behalf of the provider for the holding period; and
- (c) if the provider is not the employer—those logbook records and odometer records are given to the employer before the declaration date; and
- (d) the employer specifies the employer's estimate of the number of business kilometres travelled by the car during the holding period; and
- (e) the employer specifies a percentage as the business use percentage applicable to the car in relation to the provider for the holding period.

10. Section 10B requires that in a non-logbook year:

- odometer records are maintained for the period of the year in which the car was held (holding period)
- the employer estimates the number of business kilometres travelled during the holding period, and
- the employer specifies the business use percentage for the holding period.

11. Section 162G sets out various circumstances under which a particular year can be treated as a logbook year of tax. A year in which the PoolCar booking system is used will be a log book year of tax in respect of a particular car if:

- (a) none of the previous 4 years was a log book year of tax of the employer in relation to the car;

...

This paragraph will apply if it is the first year that the employer used the cost basis method.

- (b) The employer elects that the current year of tax be treated as a log book year of tax of the employer in relation to the car ...

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12. The subsequent 4 years will be a non-logbook year of tax if either dot points in paragraph 10 of this Ruling applies to the first year.

Logbook records

13. The PoolCar booking system Logbook report is a document which satisfies the definition of 'log book records' in subsection 136(1) as over the time the FBT Logbook reports are being kept:

- the PoolCar booking system, via the In-Car device which records car movement data, collects all applicable information for each journey undertaken by a car (that is, the location of the start and end of a journey, date and time of the start and end of a journey, purpose of each journey, kilometres travelled as per the global positioning system (GPS) coordinates) and automatically sends it to SmartTrak's centralised server
- the system collects the purpose and destination at the time of booking; drivers can input business or private use details by entering at check-in
- each time the car is driven, the start and end odometer readings for the journey are automatically calculated by the PoolCar booking system from the GPS and other telemetry data recorded, while the Odometer Reading summary reports provide the opening and closing odometer readings for the period during which a car is registered in the PoolCar booking system, including as at 31 March of the relevant FBT year, and
- all records and details contained in the Logbook reports are in English and all entries are made at or as soon as reasonably practicable after the end of the journey.

14. However, the PoolCar booking system Logbook report is not a document which satisfies the definition of 'log book records' in subsection 136(1) if:

- the report is not for an applicable period
- the purpose of the journey is not sufficiently descriptive to enable the journey to be classified as a business journey, and
- the purpose of a journey classified as being a business journey is not entered within a week of the journey occurring.

Odometer records

15. The PoolCar booking system Odometer reading report satisfies the definition of 'odometer records' in subsection 136(1) as it provides details of the odometer reading for the car at the start of the first recorded journey and also the odometer reading for the car at the end of the last recorded journey that were undertaken during each report period.

Requirements of section 10A in a logbook year of tax

16. An employer satisfies the requirement in section 10A and is entitled to claim a reduction of operating costs in a logbook year of tax if the PoolCar booking system is used continuously for:

- the duration of the applicable logbook period, which will be a continuous period of not less than 12 weeks that begins and ends during the period that

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the employer owns or leases the car, unless the car is held by the employer for less than 12 weeks, and

- the whole of the holding period, which is generally the period the employer owns or leases the car during the FBT year.

17. An employer in a logbook year of tax who uses the PoolCar booking system continuously for the duration of the applicable logbook period (which will be a continuous period of not less than 12 weeks that begins and ends during the period that the employer owns or leases the car, unless the car is held by the employer for less than 12 weeks) but does not use the PoolCar booking system continuously for the whole of the holding period (which is generally the period the employer owns or leases the car during the FBT year) satisfies the requirement in section 10A and is entitled to claim a reduction of operating costs in a logbook year of tax, provided the employer:

- separately records the odometer readings for the beginning and end of the period of the year for which the car was held
- estimates the number of business kilometres travelled by the car during the period of the year for which the car was held using all relevant matters, including the PoolCar booking system reports, odometer records and any variations in the pattern of use of the car, and
- specifies the business-use percentage for the period of the year for which the car was held using the estimated number of business kilometres and the odometer readings for the beginning and end of the holding period.

18. If the provider is not the employer, those logbook records and odometer records are to be given to the employer before the declaration date.

Requirements of section 10B in a non-logbook year of tax

19. An employer satisfies the requirement in section 10B and is entitled to claim a reduction of operating costs in a non-logbook year of tax if the PoolCar booking system is used continuously for the whole of the holding period.

20. An employer in a non-logbook year of tax who has used the PoolCar booking system in one of the previous 4 FBT years continuously for an applicable logbook period, but does not use the system in that year of tax or for the whole of the period that the car is held, satisfies the requirements in section 10B. They will be entitled to claim a reduction of operating costs of the car on account of business journeys undertaken in the car during the holding period, provided the employer:

- separately records odometer readings for the beginning and end of the period of the year for which the car was held
- estimates the number of business kilometres travelled by the car during the period of the year for which the car was held using all relevant matters including the PoolCar booking system reports, odometer records and any variations in the pattern of use of the car, and
- specifies the business use percentage for the period of the year for which the car is held using the estimated number of business kilometres and the odometer readings for the beginning and end of the holding period.

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Scheme

21. This description of the scheme is based on information provided by the applicant. If the scheme is not carried out as described, this Ruling cannot be relied upon.

22. The PoolCar booking system is a suite of mobility booking systems for organisations with shared vehicles.

23. The PoolCar booking system consists of an online booking calendar that is updated in real time and can be accessed from a web browser, smartphone or tablet application. The system operates like a shared calendar – on a given time and date, the system provides details of vehicles that are available from nominated locations. It is designed to be used for the entire FBT year for each vehicle registered in the system.

24. Car and employee registration are required, with secure login and password features. Once logged in, employees can search for available cars by motor pool location, body type (for example, sedan, wagon, dual cab), transmissions and accessories, such as whether the vehicle is fitted with an e-tag.

25. Bookings are the reservation for a vehicle. The car booking system captures when the car was taken and returned with the Check Out/In feature. Car keys are managed via a key cabinet in a central location and can only be taken by the employee when they Check Out that particular car. The booking screen captures details including:

- reservation start (date and time)
- reservation end (date and time)
- driver details, and
- purpose and destination.

26. On Check In, the system captures vital data from the driver, such as the odometer reading, parking location, overnight garaging, fuel level, business-use percentage for that trip and if there is any damage that needs looking at.

27. The Check Out/In process can be done via the key cabinet, smartphone or the online booking system at the Check Out/In tab. The Telematics tab gives a pin drop of where the vehicle is located.

28. GPS tracking is enabled by way of an In-car device that is installed in the car to capture journey information. The In-car device is a GPS device that can monitor the position of the car so as to determine the car's journeys. It also records the start and stop times of the journeys and calculates the distance travelled in each of the journeys. Engine start and end are matched to bookings and kilometres travelled for that trip and are then updated into the logbook report for the driver and the vehicle.

29. Recorded data is saved onto the device memory, with identifiers including the time and date of each capture. The recorded data is then automatically sent using a wireless mobile connection to the PoolCar system.

30. Should coverage on the mobile network not be available, the In-car device will automatically store the recorded data and periodically resend until successful.

31. Combining booking data with GPS telematics trip data allows for the accurate capture of odometer readings and other trip information. Booking data then flows through to the various system reports.

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32. The PoolCar booking system can also be used where GPS tracking is not enabled in an employer's car fleet. In order to ensure capture of relevant odometer records, specific internal controls can be enabled if required.

33. The PoolCar booking system produces 2 specific reports to be used in conjunction with the operating cost basis of determining the taxable value of car benefits:

- a logbook report, and
- an odometer reading report.

Logbook report

34. The logbook report provides for the following details per vehicle booking:

- car registration number
- employee name
- employee identification
- employee contact number
- driver cost centre
- booking reservation start
- booking reservation end
- when the booked in vehicle was checked out
- when the booked in vehicle was checked in
- nights home garaged
- opening odometer at start of trip
- closing odometer at end of trip
- kilometres travelled
- journey description
- private use percentage
- private kilometres travelled, and
- business kilometres travelled.

35. When the PoolCar booking system is used for FBT record-keeping purposes, the option must be enabled to ensure it is compulsory for employees to complete the odometer reading, to capture the split between private and business and enter in a journey description at the time of making the journey or shortly thereafter.

36. The logbook report is produced in English and can be exported by way of Excel and comma-separated values (CSV) format.

Odometer reading report

37. The odometer reading report lists all the PoolCar booking system registered vehicles and their odometer readings as at a specified date.

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38. When a vehicle is added to the fleet, its details are recorded in the vehicle register along with the opening odometer reading. The vehicle's odometer reading can also be recorded as at 31 March each year and when a car is disposed of.

39. Odometer readings are obtained either by manual (paragraph 25 of this Ruling) or, where GPS telematics is enabled, determined by the In-car device entry

40. The odometer reading report provides for the following details:

- car registration
- car make
- car model
- reading date, and
- odometer reading.

41. The odometer reading report is produced in English and can be exported by way of Excel and CSV format.

Commissioner of Taxation

30 September 2026

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Appendix – Explanation

❶ *This Explanation is provided as information to help you understand how the Commissioner's view has been reached. It does not form part of the binding public ruling.*

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What is the cost basis method under section 10?

42. Section 10 allows employers to elect to calculate the taxable value of a car fringe benefit using the cost basis method (operating cost method).

43. Where the election is made, the taxable value of the car fringe benefit using the operating cost method is calculated according to the formula in subsection 10(2):

$$(C \times (100\% - BP)) - R$$

where:

C is the operating cost of the car during the holding period;

BP is:

- (a) if, under section 10A or 10B, the employer is not entitled to a reduction in the operating cost of the car on account of business journeys undertaken in the car during the holding period—nil; or
- (c) in any other case—the business use percentage applicable to the car for the holding period; and

R is the amount (if any) of the recipient's payment.

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44. Therefore, employers intending to claim a reduction in the operating cost of a car on account of business journeys undertaken during the holding period must meet the requirements of either section 10A (if the year is a 'logbook year of tax' (as defined in subsection 136(1)) or section 10B (if the year is not a 'logbook year of tax'), as applicable.

Does the FBT Vehicle Logbook report generated by the PoolCar booking system satisfy the requirements of section 10A?

45. The requirements of section 10A have been detailed at paragraph 9 of this Ruling.

46. Section 162G sets out various circumstances under which a particular year can be treated as a logbook year of tax. The requirements have been detailed in paragraph 11 of this Ruling.

47. The subsequent 4 years will be a non-logbook year of tax if either dot points in paragraph 11 of this Ruling applies to the first year.

Does the FBT Vehicle Logbook report generated by the PoolCar booking system satisfy the requirements of the definition of 'logbook records' under subsection 136(1)?

48. Subsection 136(1) defines 'logbook records' as:

logbook records, in relation to a car held by a person (in this definition called the **holder**), in relation to a period, means a daily logbook or similar documents in which, in respect of each business journey:

- (a) that is undertaken in the car during the period; and
- (b) that the holder, or a person acting on behalf of the holder, chooses to record in the document for the purpose of demonstrating the pattern of use of the car during the period;

an entry setting out particulars of:

- (c) the date on which the journey began and the date on which it ended; and
- (d) the respective odometer readings of the car at the beginning and end of the journey; and
- (e) the number of kilometres travelled by the car in the course of the journey; and
- (f) the purpose or purposes of the journey;

is made in the English language at, or as soon as reasonably practicable after, the end of the journey.

49. A logbook record is essentially a daily logbook or similar document which contains an entry for each business journey made in the car during the period (paragraph (a) of the definition of 'log book records' in subsection 136(1)) that the holder of the car chooses to record in the document for the purposes of demonstrating the pattern of use of the car during the relevant period (paragraph (b) of the 'log book records' definition in subsection 136(1)).

50. Paragraph (c) of the definition of 'logbook records' in subsection 136(1) requires the date on which the journey began and ended to be entered in the relevant records. The PoolCar booking system records the start and end dates and times of each journey, and this information is detailed in the Logbook report. Therefore, this requirement is satisfied.

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51. Paragraph (d) of the definition of 'log book records' in subsection 136(1) requires the respective odometer readings of the car at the beginning and at the end of the journey to be entered into the relevant records.

52. The term 'odometer' is not defined in either the FBTAA or the *Income Tax Assessment Act 1997*. However, the Macquarie Dictionary (online edition) defines it as 'an instrument for measuring distance passed over, as by a motor vehicle'.¹

53. The term 'odometer records', as defined in subsection 136(1), makes reference to the 'odometer reading of the car'. While odometer readings must pertain to the car, it does not necessarily mean that they must be attributable (wholly or in part) to the rotation of the car's wheels, thereby mechanically moving the standard odometer fitted in the car by the manufacturer.

54. Provided the GPS device used to determine the car's odometer readings is of sufficient integrity, it is accepted that a system other than the car's own odometer may meet the legislative requirements of the FBTAA.

55. Each time the car is driven, the start and end odometer readings for the journey are either automatically (where GPS telematics is enabled) or manually calculated by the PoolCar booking system using GPS and other telemetry data (where available). It is accepted that these calculated opening and closing odometer readings are of sufficient integrity to constitute odometer readings of the car.

56. The opening and closing odometer readings for each journey are detailed in the Logbook report generated by the PoolCar booking system. This satisfies the requirements of paragraph (d) of the definition of 'logbook records' in subsection 136(1). In addition, Odometer Reading summary reports provide opening and closing odometer readings for the period during which a car is registered in the system, including as at 31 March of the relevant FBT year.

57. The number of kilometres travelled by the car in the course of each journey is also detailed in the Logbook report, satisfying the requirement in paragraph (e) of the definition of 'logbook records' in subsection 136(1).

58. Paragraph (f) of the definition of 'logbook records' in subsection 136(1) requires the purpose or purposes of business journeys to be recorded. It also requires that entries be made at, or as soon as reasonably practicable after, the end of the journey.

59. The PoolCar booking system Logbook report satisfies this requirement as:

- the system, via an in-car device, collects all relevant data for each journey (including start and end location, dates and times, kilometres travelled based on GPS coordinates) and transmits this data automatically to a centralised server
- the system collects the purpose and destination at the time of booking. Drivers can input business or private use details by entering at check-in
- the system, where configured for FBT record-keeping purposes, does not allow a journey to be classified as a business journey without recording the purpose of the journey.

60. All records and details contained in the Logbook report are in English, and entries are made at, or as soon as reasonably practicable after, the end of each journey. Accordingly, the requirements of paragraph (f) are satisfied.

¹ Pan Macmillan Australia (2026) *Macquarie Dictionary Online*, www.macquariedictionary.com.au, accessed 23 September 2026.

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61. The Logbook report generated by the PoolCar booking system is considered to be 'a daily logbook or similar document' for the purposes of subsection 136(1), provided it is made in English and completed in a timely manner.

62. The Logbook report generated by the PoolCar booking system satisfies the definition of 'logbook records' in subsection 136(1) provided that, for the purposes of section 10A, it is completed for an applicable logbook period and the system is configured for FBT record-keeping purposes where relevant controls are required.

Are the logbook records maintained for an 'applicable log book period'?

63. The definition of 'log book records' in subsection 136(1) also requires that each business journey recorded in the logbook records be in relation to a 'period'. Paragraph 10A(a) refers to 'log book records' being maintained for an 'applicable log book period'.

64. The term 'applicable log book period' is defined in subsection 162H(1) as:

For the purposes of the application of section 10 in relation to a car fringe benefit in relation to an employer in relation to a car while it was held by a particular person during a particular period (in this subsection called the **holding period**) starting or ending in a year of tax, a reference to the applicable logbook period is a reference to:

- (a) if the holding period is a period of less than 12 weeks—the holding period; or
- (b) in any other case—a continuous period of not less than 12 weeks that begins and ends during the holding period.

65. The Logbook report generated by the PoolCar booking system can be configured to cover a continuous period of at least 12 weeks. The beginning and end dates of the logbook period are displayed in the report. It is accepted that, in the absence of evidence to the contrary in a particular case, employers using the PoolCar booking system will maintain the necessary records for the duration of the applicable log book period where the system is configured for FBT record-keeping purposes and used in accordance with the scheme described, and relevant journey data is recorded accurately and in a timely manner. The applicable log book period 'must be specified in the log book records for the period at, or as soon as possible after, the end of the period'.

66. Accordingly, it is considered that the Logbook report generated by the PoolCar booking system satisfies the relevant requirements of the definition of 'logbook records' in subsection 136(1), provided the report relates to an applicable logbook period and the system is used as described under the scheme.

Does the FBT Vehicle Logbook report generated by the PoolCar booking system satisfy the requirements of the definition of 'odometer records' under subsection 136(1)?

67. In order to meet the requirements of section 10A, it is essential that 'odometer records' are maintained in addition to 'logbook records'.

68. The term 'odometer records' is defined in subsection 136(1) as:

odometer records, in relation to a car, in relation to a period, means a document in which particulars of:

- (a) the odometer reading of the car at the commencement of the period; and
- (b) the odometer reading of the car at the end of the period; and

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- (c) if paragraph 162K(2)(b) or 162L(2)(b) applies with effect from a particular date—the odometer readings of both the replacement car and of the original car referred to in that paragraph, as at that date;

are entered in the English language, at, or as soon as reasonably practicable after, the respective times to which those odometer readings relate.

69. The definition of ‘odometer records’ in subsection 136(1) requires that odometer readings be recorded both at the ‘commencement of the period’ and at the ‘end of the period’.

70. The PoolCar booking system’s odometer reading report lists all vehicles registered in the system and records their odometer readings as at a specified date. This includes the opening odometer reading when a vehicle is added to the fleet, as well as odometer readings recorded at relevant intervals, including as at 31 March of the relevant FBT year and upon disposal of a vehicle.

71. Odometer readings are obtained either by manual entry or, where GPS telematics is enabled, by the in-car device using GPS and other telemetry data. The odometer reading report provides details including the vehicle’s registration number, make and model, the reading date and the odometer reading. The report is produced in English and can be exported in Excel and CSV formats.

72. It is considered that the odometer reading report generated by the PoolCar booking system satisfies the relevant requirements of the definition of ‘odometer records’ as defined in subsection 136(1), provided that the records are maintained for the relevant period and entries are made in a timely manner.

Are the odometer records maintained for the ‘holding period’?

73. Paragraph 10A(b) requires odometer records to be maintained for the holding period as defined in section 162C.

74. Section 162C states:

Unless the contrary intention appears, a reference in this Act to a period in a year of tax during which a person held a car is a reference to the period that:

- (a) commences on whichever of the following times is applicable:
 - (i) if the person held the car at the time of commencement of the year of tax—that time;
 - (ii) in any other case—the time in the year of tax when the person commenced to hold the car; and
- (b) ends at whichever of the following times is applicable:
 - (i) if the person continued to hold the car until the time of the end of the year of tax—that time;
 - (ii) in any other case—the time in the year of tax when the person ceased to hold the car.

75. Subsection 162(1) states, among other things, that a car will be held by a person if that person either owns or leases the car. Therefore, the continuous period during a FBT year (including the whole year of tax, where applicable) where an employer either owns or leases a car will be the ‘holding period’ of that car.

76. Consequently, the odometer readings at the beginning and end of the period during the FBT year (including the whole year of tax, where applicable) for which an employer either owns or leases a car must be determined. Where the PoolCar booking system is

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used continuously for the whole of the period that the car is held during the FBT year, the system will record sufficient information to determine the odometer readings for both the beginning and end of the holding period where GPS telematics is enabled or odometer data is otherwise accurately recorded and the system is configured for FBT record-keeping purposes.

77. However, where the PoolCar booking system is not used continuously for the whole of the holding period of the car during the FBT year, the employer will need to separately maintain the odometer readings for the holding period.

78. It is accepted that, in the absence of any evidence to the contrary in a particular case, the requirement in paragraph 10A(b) will be met by employers using the PoolCar booking system where the system is configured for FBT record-keeping purposes and used in accordance with the scheme described.

Does the FBT Vehicle Logbook report generated by the PoolCar booking system enable an employer to estimate the number of business kilometres travelled during the holding period in a logbook year of tax?

79. Paragraph 10A(d) requires the employer to estimate the number of business kilometres travelled by the car during the holding period. This estimate is used to calculate the business use percentage required by paragraph 10A(e).

80. The basis used to estimate the number of business kilometres is set out in section 162F which states:

For the purposes of this Act, the number of kilometres that represents a reasonable estimate of the number of business kilometres applicable to a car held by a person during a period in a year of tax shall be determined having regard to all relevant matters including, but without limiting the generality of the foregoing:

- (a) any logbook records, odometer records or other records maintained by or on behalf of the person; and
- (b) any variations in the pattern of use of the car.

81. The PoolCar booking system uses the calculation of the kilometres travelled on journeys classified as business journeys during the period for which the system is used to determine the total number of business kilometres travelled during that period where the system is configured for FBT record-keeping purposes and relevant data fields are completed. Accordingly, where the system is used continuously for the whole of the period of the year for which the car is held, the Logbook report will generally enable an employer to determine the number of business kilometres travelled during the holding period.

82. However, where the PoolCar booking system is not used continuously for the whole of the period of the year for which the car is held, the number of business kilometres recorded in the Logbook report will only reflect the business kilometres travelled during the period in which the system is used and only to the extent that journeys have been appropriately classified and recorded. In these circumstances, the employer must estimate the number of business kilometres travelled during the holding period, taking into account all relevant matters, including the PoolCar booking system reports, odometer records and any variations in the pattern of use of the car. The employer must also separately record the odometer readings at the beginning and end of the period of the year for which the car was held.

83. Where the PoolCar booking system is used continuously for an applicable logbook period of at least 12 weeks (unless the car is held for a shorter period) and the requirements in section 10A are otherwise satisfied, it is accepted that (in the absence of

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evidence to the contrary in a particular case) the employer will be entitled to claim a reduction of operating costs in a logbook year of tax provided the system is used in accordance with the scheme described and any relevant configuration requirements are in place. This requires the employer to determine the business use percentage for the holding period based on the estimated business kilometres and the odometer readings at the beginning and end of that period.

84. It is accepted that (in the absence of any evidence to the contrary in a particular case) the requirement in paragraph 10A(d) will be met by employers using the PoolCar booking system where the system is configured for FBT record-keeping purposes and used in accordance with the scheme described.

Does the FBT Vehicle Logbook report generated by the PoolCar booking system enable an employer to specify the business use percentage for the holding period in a logbook year of tax?

85. Paragraph 10A(e) requires the employer client to specify a percentage as the 'business use percentage' applicable to a car for the holding period in a logbook year of tax.

86. Subsection 136(1) defines 'business use percentage' to mean the percentage worked out using the formula:

business use percentage =

Number of business kilometres travelled by the car during the holding period ÷ Total number of kilometres travelled by the car during the holding period × 100

87. Where the PoolCar booking system is used continuously for the whole of the period of the year for which the car is held, the Logbook report will record sufficient information to determine both the number of business kilometres and the total number of kilometres travelled by the car during the holding period (where the system is configured for FBT record-keeping purposes and relevant journey data has been accurately completed). Using this information, the Logbook report may be used to determine the business use percentage for the holding period.

88. However, where the PoolCar booking system is not used continuously for the whole of the period of the year for which the car is held, the system will not record all of the business kilometres travelled during the holding period, nor the total number of kilometres travelled during that period. In such circumstances, the employer must separately determine the business use percentage using the estimated number of business kilometres and the odometer readings at the beginning and end of the holding period, taking into account all relevant matters.

89. It is accepted that, in the absence of any evidence to the contrary in a particular case, the requirement in paragraph 10A(e) will be met by employers using the PoolCar booking system, where the system is configured for FBT record-keeping purposes and used in accordance with the scheme described.

Conclusion on whether the FBT Vehicle Logbook report generated by the PoolCar booking system satisfies the requirements of section 10A

90. The PoolCar booking system Logbook report satisfies the FBT record-keeping requirements in section 10A where it is properly configured and used, with accurate and timely completion of relevant data.

Status: **not legally binding**

91. Employers will generally meet the requirements and be eligible to claim a reduction in operating costs if the system is used continuously for both the applicable logbook period and the car's full holding period.

92. Where the system is not used for the entire holding period, employers may still qualify by recording start and end odometer readings, reasonably estimating business kilometres using available records and usage patterns, and calculating a business use percentage based on those estimates.

Does the FBT Vehicle Logbook report generated by the PoolCar booking system satisfy the requirements of section 10B?

93. Section 10B states:

Where one or more car fringe benefits in relation to an employer in relation to a year of tax relate to a car while it was held by a particular person (in this section called the **provider**) during a particular period (in this section called the **holding period**) in a year of tax that is not a logbook year of tax of the employer in relation to the car, the employer is entitled to a reduction in the operating cost of the car on account of business journeys undertaken during the holding period in the car if, and only if:

- (a) odometer records are maintained by or on behalf of the provider in relation to the car for the holding period and, if the provider is not the employer, are given to the employer before the declaration date; and
- (b) the employer specifies the employer's estimate of the number of business kilometres travelled by the car in the holding period; and
- (c) the employer specifies the business use percentage applicable to the car in relation to the provider for the holding period.

94. The definitions of the terms 'odometer records', 'holding period' and 'business use percentage' are as defined in paragraphs 68, 74 and 86 of this Ruling respectively.

95. Where the PoolCar booking system is used continuously for the whole of the holding period, the Logbook report generated by the system will meet the necessary requirements of section 10B in a non-logbook year of tax as it:

- provides odometer records for the beginning and end of that holding period where GPS telematics is enabled or odometer data is otherwise accurately recorded
- determines the number of kilometres travelled on journeys classified as business journeys during the period for which the system is continuously used where the system is configured for FBT record-keeping purposes and journey data has been completed accurately, and provides sufficient information to determine the business use percentage for the selected period using the determined number of business kilometres travelled and the odometer readings for the beginning and end of the holding period.

96. An employer in a non-logbook year of tax who does not use the PoolCar booking system in that year of tax, or does not use it for the whole of the period that the car is held but has used the system in one of the previous 4 FBT years continuously for an 'applicable log book period', will not, of itself, satisfy the requirements of section 10B. The employer must also:

- separately maintain odometer readings for the beginning and end of the period of the year for which the car was held

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- estimate the number of business kilometres travelled by the car during the period of the year for which the car was held using all relevant matters, including the PoolCar booking system reports and any other logbook records and odometer records maintained by, or on behalf of, the user or driver, and any variations in the pattern of use of the car, and
- specify the business use percentage for the period of the year for which the car is held using the estimated number of business kilometres and the odometer readings for the beginning and end of the holding period.

Status: **not legally binding**

References

Previous rulings and determinations:

CR 2020/14

Legislative references:

- | | |
|---------------|----------------|
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