



Status: **legally binding**

Product Ruling

eFleetPass Tolling – toll road gift cards

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.

Terms of use of this Ruling

This Ruling has been given on the basis that the entity who applied for the Ruling, and their associates, will abide by strict terms of use. Any failure to comply with the terms of use may lead to the withdrawal of this Ruling.

Changes in the law

Product Rulings were introduced for the purpose of providing certainty about tax consequences for entities in schemes such as this. In keeping with that intention, the Commissioner suggests promoters and advisers ensure that participants are fully informed of any legislative changes after the Ruling has issued. Similarly, entities that are considering participating in the Scheme are advised to confirm with their tax adviser that changes in the law have not affected this Ruling since it was issued.

No guarantee of commercial success

The Commissioner does not sanction or guarantee this product. Further, the Commissioner gives no assurance that the product is commercially viable, that charges are reasonable, appropriate or represent industry norms, or that projected returns will be achieved or are reasonably based.

Potential participants must form their own view about the commercial and financial viability of the product. The Commissioner recommends a financial (or other) adviser be consulted for such information.

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What this Ruling is about

1. This Ruling sets out the income tax and fringe benefits tax (FBT) consequences for entities referred to in paragraph 5 of this Ruling that purchase or receive a toll road gift card (Gift Card) offered by eFleetPass Tolling (eFleetPass).

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2. All legislative references in this Ruling are to the *Income Tax Assessment Act 1997*, unless otherwise indicated.
3. Subject to paragraph 4 of this Ruling, this Ruling addresses the tax consequences associated with the following scenarios:
- the purchase of a Gift Card by an employer (Employer) for provision to an employee of the Employer (Employee) for work-related travel
 - the purchase of a Gift Card by an Employer for provision to an Employee as a gift
 - the purchase of a Gift Card by a sole trader or freelancer (Self-employed individual) for their work-related travel, and
 - the purchase of a Gift Card by an individual (whether a Self-employed individual or otherwise) for private use or for provision as a gift.
4. This Ruling does not address:
- the tax consequences associated with the purchase of a Gift Card by an Employer or a Self-employed individual for provision to a contractor
 - the circumstances under which an Employer or a Self-employed individual is entitled to a GST credit for goods and services tax paid in connection with the purchase of a Gift Card, and
 - whether any fringe benefit provided by the Employer who purchases a Gift Card will be an exempt benefit under section 58P of the *Fringe Benefits Tax Assessment Act 1986* (FBTAA).

Who this Ruling applies to

5. This Ruling applies to you if on or after 20 August 2025 and on or before 30 June 2028 you are:
- an Employer who purchases a Gift Card for provision to an Employee either for work-related travel or as a gift
 - an Employee who receives a Gift Card from your Employer either for work-related travel or as a gift
 - a Self-employed individual who purchases a Gift Card for your work-related travel, or
 - an individual (including a Self-employed individual) who purchases a Gift Card for private use or provision as a gift.
6. This Ruling does not apply to you if you are:
- a non-resident for Australian tax purposes, or
 - not an entity listed in paragraph 5 of this Ruling.

Date of effect

7. This Ruling applies from 20 August 2025, the date it was published, to the entities specified in paragraph 5 of this Ruling that enter into the scheme from 20 August 2025 until 30 June 2028.

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8. However, the Ruling only applies and may be relied on to the extent that there is no change in the scheme or in the entity's involvement in the scheme. If the scheme carried out is materially different from the scheme described at paragraphs 11 to 18 of this Ruling, this Ruling cannot be relied upon and may be withdrawn or modified.

Ruling

9. Subject to paragraph 4 of this Ruling and the assumptions in paragraph 10 of this Ruling:

- (a) The purchase of a Gift Card by the Employer is deductible to the Employer under section 8-1 in the income year the Gift Card is purchased if the Gift Card is provided to the Employee
 - (i) to cover toll charges¹ incurred by the Employee for work-related travel, or
 - (ii) as a gift, including as part of an employee rewards and recognition program.²
- (b) The value of the Gift Card received by the Employee from the Employer is not included in the assessable income of the Employee (under section 15-2) where the Gift Card is a
 - (i) fringe benefit or an exempt benefit under the FBTA (see subsections 23L(1) and (1A) of the *Income Tax Assessment Act 1936* (ITAA 1936)), or
 - (ii) gift.
- (c) Subject to the application of the minor benefits exemption under section 58P of the FBTA or the scenario considered in paragraph 31 of this Ruling, the provision of a Gift Card to the Employee by the Employer will be a property fringe benefit under subsection 136(1) of the FBTA.
- (d) Where the Employer provides the Gift Card to the Employee to cover toll charges incurred by the Employee for work-related travel (in their own vehicle), and subject to the application of the minor benefits exemption under section 58P of the FBTA, the otherwise deductible rule under section 44 of the FBTA applies to reduce the taxable value of the property fringe benefit to nil.
- (e) The purchase of a Gift Card by the Self-employed individual for their work-related travel is
 - (i) deductible under section 8-1 in the income year the Gift Card is purchased, and
 - (ii) not subject to FBT.
- (f) The purchase of a Gift Card by an individual (including a Self-employed individual) to use for private purposes or to provide as a gift to another

¹ Reference to toll charges in this Ruling includes charges for toll services levied by toll road operators and the fees for toll trip data.

² The extent to which the cost of the Gift Card is deductible under section 8-1 is subject to section 27-5 which denies a deduction for a loss or outgoing to the extent that it includes an amount relating to a GST credit to which an Employer (or a Self-employed individual referred to in subparagraph 9(e) of this Ruling) is entitled.

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person (excluding an employee) is not deductible under section 8-1 (or any other provision of the ITAA 1936 or the *Income Tax Assessment Act 1997*).

- (g) Provided the scheme ruled on is entered into and carried out as described in this Ruling, the anti-avoidance provisions in Part IVA of the ITAA 1936 will not apply to an entity referred to in paragraph 5 of this Ruling.
- (h) Provided the scheme ruled on is entered into and carried out as described in this Ruling, the anti-avoidance provision of section 67 of the FBTA will not apply to an Employer.

Assumptions

10. This Ruling is made on the basis of the following necessary assumptions:

- The Employer, Employee and the Self-employed individual is an Australian resident for tax purposes.
- The provision of a Gift Card to the Employee as a gift by the Employer is designed to retain, motivate or reward the Employee.
- The scheme will be executed in the manner described in the Scheme section of this Ruling.
- All dealings between the entities specified in paragraph 5 of this Ruling and eFleetPass will be at arm's length.

Scheme

11. The scheme is identified and described in the application for a product ruling as constituted by documents and information received on 10 April 2025 and 31 July 2025.

Note: certain information has been provided on a commercial-in-confidence basis and will not be disclosed or released under freedom of information legislation.

12. For the purposes of describing the scheme, there are no other agreements (whether formal or informal, and whether or not legally enforceable) which an entity referred to in paragraph 5 of this Ruling, or any associate of such entity, will be a party to which are a part of the scheme.

Overview of scheme

13. MFA Motorway Holdings Pty Ltd, trading as eFleetPass, is the entity responsible for the development, issuance and management of the Gift Card.

14. eFleetPass purchases toll credits from toll road operators (Operators) at a negotiated rate and resells them as Gift Cards.

15. The Gift Card:

- can be purchased by all consumers, including businesses and non-businesses alike, online (from eFleetPass directly or via a digital gift card platform operated by a third party) or from specified retailers
- is available in various denominations (for example, \$50–\$200)

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- is redeemed online by registering an account with eFleetPass, requiring the redeemer to provide their personal and vehicle details, and
- entitles the holder of the card to toll services provided by Operators and toll trip data to the value of the card.

16. Operators will deduct tolls from the card balance using electronic tolling collection (for example electronic tag) or video tolling (for example, licence plate recognition) and will provide eFleetPass with toll usage data to reconcile card balances.

17. Under the terms and conditions of use:

- the Gift Card is not redeemable for cash
- the Gift Card can only be used for tolling services
- any unused balance remains on the Gift Card and may be used for future toll road usage
- the Gift Card is valid for 3 years from the date of issue, and
- any remaining balance after the expiry date will be forfeited.

18. Real Toll Cards Pty Ltd, a related entity of eFleetPass, charges a fee per toll trip (Toll Feed-in-Levy) for the provision of toll trip data to the Gift Card holder. As with toll charges, the Toll Feed-in-Levy is deducted from the balance of the Gift Card.

Commissioner of Taxation

20 August 2025

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Appendix – Explanation

❗ ***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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Cost of Gift Card deductible for the Employer

19. Section 8-1 allows a deduction for any loss or outgoing to the extent that it is incurred in gaining or producing assessable income or it is necessarily incurred in carrying on a business for the purpose of gaining or producing assessable income, provided that the loss or outgoing is not of a capital, private or domestic nature.

20. An outgoing incurred by a business will be necessarily incurred where, in the circumstances, it is reasonably capable of being seen as desirable or appropriate from the point of view of the pursuit of the business ends of the business being carried on for the purpose of earning assessable income (see *Magna Alloys & Research Pty Ltd v Commissioner of Taxation of the Commonwealth of Australia* [1980] FCA 180).

21. Where the Employer purchases the Gift Card and gives it to the Employee to pay for toll charges incurred by the Employee for work-related travel, the cost of the Gift Card is deductible for the Employer under section 8-1 in the income year the purchase is made (that is, at the time it is incurred). The expenditure is appropriate from the point of view of the pursuit of the business ends of the Employer's business and therefore necessarily incurred in carrying on that business.

22. Where the Employer purchases the Gift Card and provides it to the Employee as a gift, including as part of an employee rewards and recognition program, the cost of the Gift Card is also deductible for the Employer under section 8-1 for the same reasons given in paragraph 21 of this Ruling.

Receipt of Gift Card by the Employee is not assessable income

23. Whether a gift is assessable income depends on the quality or character of the gift in the hands of the recipient (see *Squatting Investment Co Ltd v Commissioner of Taxation* [1953] HCA 13; 86 CLR 570 at [627]; 10 ATD 126 at [149]). Consideration is necessary of the whole of the circumstances in which the gift is received. How, in what capacity, and for what reason the recipient received the gift are material factors.

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24. Where the Employee receives the Gift Card from the Employer either to pay for toll charges incurred by the Employee (in their own vehicle³) for work-related travel or as a gift (including as part of an employee rewards and recognition program), the Gift Card is a benefit provided to the Employee in respect of, or for or in relation directly or indirectly to, their employment. The value of such a benefit would be included in the assessable income of the Employee under section 15-2, subject to the exceptions discussed in paragraphs 25 and 26 of this Ruling.

25. If the provision of the Gift Card constitutes a fringe benefit received by the Employee, any income that would otherwise arise under section 15-2 will be made non-assessable non-exempt income pursuant to subsection 23L(1) of the ITAA 1936.

26. If the provision of the Gift Card would constitute a fringe benefit received by the Employee but for the fact that it is an exempt benefit for FBT purposes, any income that would otherwise arise under section 15-2 will be exempt income of the Employee pursuant to subsection 23L(1A) of the ITAA 1936.

Fringe benefits tax consequences for the Employer

27. Property benefit is defined in subsection 136(1) of the FBTAA by reference to a benefit that is referred to in section 40 of the FBTAA and that does not include a benefit by virtue of a provision of Subdivision A of Division 2 to 10 of Part III of the FBTAA. Section 40 of the FBTAA provides that a property benefit is the provision of property⁴ by a person (provider) to another person (recipient) at a particular time.

28. Property fringe benefit is defined in subsection 136(1) of the FBTAA to mean a fringe benefit that is a property benefit. Fringe benefit is defined in subsection 136(1) of the FBTAA and generally relates to a benefit:

- provided to an employee, or an associate of an employee, by an employer, an associate of the employer or another person (referred to as the arranger) under an arrangement involving the employer or an associate
- provided in respect of the employment of the employee, and
- that is not excluded from being a fringe benefit for reasons which may include it being an exempt benefit.

29. A Gift Card confers rights on the holder, being the right to redeem toll charges up to the stored value on the Gift Card. These rights, being intangible property, are a property benefit provided to the Employee (recipient) by the Employer (provider) in respect of the Employee's employment.

30. The provision of a Gift Card to the Employee by the Employer will therefore constitute a property fringe benefit under subsection 136(1) of the FBTAA subject to its exclusion as a fringe benefit (by virtue of being an exempt benefit, as discussed at paragraphs 32 to 38 of this Ruling) and subject to paragraph 31 of this Ruling.

31. Where the Employer gives the Gift Card to the Employee to pay for toll charges incurred for work-related travel in a vehicle provided by the Employer, the Employer is liable for the toll charges incurred and is not considered to have provided a benefit to the Employee for FBT purposes. However, if the travel is private and the Gift Card is used by

³ Where the Employee receives the Gift Card from the Employer to use for work-related travel in a vehicle provided by the Employer, the Employer is also liable for the toll charges incurred. The Employee is not assessed on the value of the Gift Card received.

⁴ Property is defined in subsection 136(1) of the FBTAA to mean both intangible and tangible property.

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the Employee to pay for toll charges, this may be subject to FBT (subject to paragraphs 32 to 38 of this Ruling).

Minor benefit exemption

32. A benefit that is an exempt benefit is excluded from being a fringe benefit under paragraph (g) of the definition of fringe benefit under subsection 136(1) of the FBTA.

33. Section 58P of the FBTA provides that a benefit is exempt if it is considered to be a minor benefit (minor benefits exemption). Broadly speaking, the minor benefits exemption exempts benefits if the value of the benefit is less than \$300 and it is considered unreasonable to treat the benefit as a fringe benefit having regard to the specified criteria in paragraph 58P(1)(f) of the FBTA:

Where:

- (a) a benefit (in this section called a ***minor benefit***) is provided in, or in respect of, a year of tax (in this section called the ***current year of tax***) in respect of the employment of an employee of an employer;
- (c) in the case of an expense payment benefit, a property benefit or a residual benefit – if the minor benefit were an expense payment fringe benefit, a property fringe benefit or a residual fringe benefit, as the case may be, in relation to the employer, the expense payment fringe benefit, the property fringe benefit or the residual fringe benefit, as the case requires, would not be an in-house fringe benefit;
- ...
- (e) the notional taxable value of the minor benefit in relation to the current year of tax is less than \$300; and
- (f) having regard to:
 - (i) the infrequency and irregularity with which associated benefits, being benefits that are identical or similar to:
 - (A) the minor benefit; or
 - (B) benefits provided in connection with the provision of the minor benefit;have been or can reasonably be expected to be provided;
 - (ii) the amount that is, or might reasonably be expected to be, the sum of the notional taxable values of the minor benefit and any associated benefits, being benefits that are identical or similar to the minor benefit, in relation to the current year of tax or any other year of tax;
 - (iii) the amount that is, or might reasonably be expected to be, the sum of the notional taxable values of any other associated benefits in relation to the current year of tax or any other year of tax;
 - (iv) the practical difficulty for the employer in determining the notional taxable values in relation to the current year of tax of:
 - (A) if the minor benefit is not a car benefit – the minor benefit; and

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- (B) if there are any associated benefits that are not car benefits – those associated benefits; and
- (v) the circumstances surrounding the provision of the minor benefit and any associated benefits including, but without limiting the generality of the foregoing:
 - (A) whether the benefit concerned was provided to assist the employee to deal with an unexpected event; and
 - (B) whether the benefit concerned was provided otherwise than wholly or principally by way of a reward for services rendered, or to be rendered, by the employee;

it would be concluded that it would be unreasonable to treat the minor benefit as a fringe benefit in relation to the employer in relation to the current year of tax;

the minor benefit is an exempt benefit in relation to the current year of tax.

34. Taxation Ruling TR 2007/12 *Fringe benefits tax: minor benefits* contains comprehensive guidance on the application of the minor benefit exemption in section 58P of the FBTAA and confirms that the section does not apply to exempt all benefits that have a notional taxable value of less than \$300. TR 2007/12 provides that in considering the application of the exemption under section 58P of the FBTAA it is necessary to look to the nature of the benefit provided and give due weight to each of the criteria in paragraph 58P(1)(f) of the FBTAA. The weight given to each criterion will also vary depending on the circumstances surrounding the provision of each benefit.

35. In relation to the criterion under subparagraph 58P(1)(f)(i) of the FBTAA, paragraph 22 of TR 2007/12 relevantly notes:

In applying the ‘infrequency and irregularity’ criterion, it is not appropriate to stipulate the maximum number of times associated benefits that are identical or similar to a minor benefit, or benefits in connection with the minor benefit, can be provided before the criterion is not met. However, the more often and regularly those benefits are provided, the less likely it is that this criterion would be met.

36. In relation to the criterion under subparagraph 58P(1)(f)(ii) of the FBTAA, paragraph 224 of TR 2007/12 relevantly notes that even if the value of each benefit is below the minor benefits threshold, the sum of the values of the benefits provided, being identical benefits in the current and previous year of tax and those that are reasonably expected to be provided in the future, are all taken into consideration. In the context of the property benefits provided by the Employer in respect of the provision of one or more Gift Cards to the Employee, the sum of the values of the benefits provided will vary on a case-by-case basis.

37. The Employer must therefore give due consideration to the 5 criteria stipulated in paragraph 58P(1)(f) of the FBTAA against the individual facts and circumstances of each property benefit it provides in respect of its provision of Gift Cards to conclude if it is unreasonable to treat the benefit as a fringe benefit.

38. In respect of a property fringe benefit, the minor benefits exemption does not apply pursuant to paragraph 58P(1)(c) of the FBTAA if the property fringe benefit would be an in-house fringe benefit. Subsection 136(1) defines in-house property fringe benefits to mean a property fringe benefit in respect of tangible property. Therefore, since the provision of a Gift Card to an Employee is the provision of intangible property⁵, the Gift Card is not an in-house property fringe benefit and may qualify for the minor benefits exemption.

⁵ See ATO Interpretive Decision ATO ID 2010/135 *Fringe Benefits Tax: Property fringe benefits: gift cards*.

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Otherwise deductible rule

39. If the provision of the Gift Card does not qualify as an exempt benefit (including as an exempt minor benefit), the otherwise deductible rule under section 44 of the FBTAA should be considered.

40. An employer is liable to FBT under section 66 of the FBTAA on their fringe benefits taxable amount. In the usual case, and in general terms, this amount is the sum of individual fringe benefits amounts calculated under Divisions 2 to 13 of Part III of the FBTAA. Central to this calculation is working out the taxable value of each fringe benefit provided in respect of an employee's employment by the employer.

41. Where an employee receives a benefit and would have been entitled to an income tax deduction for expenditure on the benefit if the employee had incurred the cost, then the taxable value of the benefit is reduced by the amount of that notional deduction. Known as the otherwise deductible rule under section 44 of the FBTAA, this rule can apply to property fringe benefits and is capable of reducing the taxable value to nil so that no FBT liability arises.

42. The conditions necessary for the application of the otherwise deductible rule are met where the Employer provides the Gift Card to the Employee to use to pay for toll charges incurred by the Employee on work-related travel (in their own vehicle).

43. The Employer must obtain a declaration from the Employee stating the extent to which the property benefit has been used for the purpose of earning assessable income of the Employee and would have been deductible to the Employee.

Self-employed individuals

44. The cost of a Gift Card purchased by the Self-employed individual for their work-related travel is deductible under section 8-1 in the income year incurred for the reasons discussed in paragraphs 19 to 21 of this Ruling.

45. Where the Gift Card purchased by the Self-employed individual is used for both work-related travel and private purposes, the cost of the Gift Card is deductible under section 8-1 to the extent that it is used for their work-related travel.

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References

Related rulings and determinations:

TR 2007/12

Legislative references:

- FBTAA 1986 Pt III Div 2
- FBTAA 1986 Pt III Div 2 Subdiv A
- FBTAA 1986 Pt III Div 3
- FBTAA 1986 Pt III Div 3 Subdiv A
- FBTAA 1986 Pt III Div 4
- FBTAA 1986 Pt III Div 4 Subdiv A
- FBTAA 1986 Pt III Div 5
- FBTAA 1986 Pt III Div 5 Subdiv A
- FBTAA 1986 Pt III Div 6
- FBTAA 1986 Pt III Div 6 Subdiv A
- FBTAA 1986 Pt III Div 7
- FBTAA 1986 Pt III Div 7 Subdiv A
- FBTAA 1986 Pt III Div 9
- FBTAA 1986 Pt III Div 9 Subdiv A
- FBTAA 1986 Pt III Div 9A
- FBTAA 1986 Pt III Div 9A Subdiv A
- FBTAA 1986 Pt III Div 10
- FBTAA 1986 Pt III Div 10 Subdiv A
- FBTAA 1986 Pt III Div 10A
- FBTAA 1986 Pt III Div 10A Subdiv A
- FBTAA 1986 Pt III Div 11
- FBTAA 1986 40
- FBTAA 1986 44
- FBTAA 1986 Pt III Div 12
- FBTAA 1986 Pt III Div 13

- FBTAA 1986 58P
- FBTAA 1986 58P(1)(c)
- FBTAA 1986 58P(1)(f)
- FBTAA 1986 58P(1)(f)(i)
- FBTAA 1986 58P(1)(f)(ii)
- FBTAA 1986 66
- FBTAA 1986 67
- FBTAA 1986 136(1)
- FBTAA 1986 136(1)(g)
- ITAA 1936 23L(1)
- ITAA 1936 23L(1A)
- ITAA 1936 Pt IVA
- ITAA 1997 8-1
- ITAA 1997 15-2
- ITAA 1997 27-5

Cases relied on:

- Squatting Investment Co Ltd v Commissioner of Taxation [1953] HCA 13; 86 CLR 570; [1953] ALR 366; 26 ALR 658; 10 ATD 126
- Magna Alloys & Research Pty Ltd v Commissioner of Taxation of the Commonwealth of Australia [1980] FCA 180; 49 FLR 183; 80 ATC 4542; 11 ATR 276; 33 ALR 213

Other references:

ATO ID 2010/135

ATO references

NO: 1-15IB92MA
 ISSN: 2205-6114
 BSL: PW
 ATOLaw topic Fringe benefits tax ~~ Types of benefit ~~ Property benefits
 Fringe benefits tax ~~ Types of benefit ~~ Miscellaneous exempt benefits ~~
 Minor benefits
 Income tax ~~ Assessable income ~~ Employment related ~~ Allowances and
 benefits
 Income tax ~~ Deductions ~~ Other

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