Status: **legally binding**

Taxation Determination

Fringe benefits tax: rates to be applied on a cents per kilometre basis for calculating the taxable value of a fringe benefit arising from the private use of a motor vehicle other than a car for the fringe benefits tax year commencing 1 April 2026

Relying on this Determination

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

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

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Ruling

1. The rates to be applied where the cents per kilometre basis is used to calculate the taxable value of a fringe benefit arising from the private use of a motor vehicle other than a car, for the fringe benefits tax (FBT) year commencing 1 April 2026, are outlined in Table 1 of this Determination.

Table 1: Cents per kilometre rates for FBT year commencing 1 April 2026

Engine capacity	Rate per km
0–2500 cc	70c
Over 2500 cc	82c
Motorcycles	20c

2. For previous years' rates, see Fringe benefits tax – rates and thresholds.

Status: **legally binding**

Date of effect

3. This Determination applies to the FBT year commencing 1 April 2026.

Commissioner of Taxation
25 March 2026

Status: **not legally binding**

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.

4. An employee's right to use a car for private purposes constitutes a car fringe benefit under the *Fringe Benefits Tax Assessment Act 1986* (FBTAA). Where an employee is entitled to use a motor vehicle *other than a car*, this gives rise to a residual benefit under the FBTAA. For these purposes, pursuant to subsection 136(1) of the FBTAA, which refers to subsection 995-1(1) of the *Income Tax Assessment Act 1997*, a 'car' means 'a motor vehicle (except a motor cycle or similar vehicle) designed to carry a load of less than 1 tonne and fewer than 9 passengers', with a 'motor vehicle' being defined as 'any motor-powered road vehicle (including a 4-wheel drive vehicle)'.

5. Miscellaneous Taxation Ruling MT 2034 *Fringe benefits tax: private use of motor vehicles other than cars* outlines a number of acceptable methods that may be used to value the benefit of the right to use an employer's motor vehicle *other than a car*. One method of valuing the benefit is to multiply the number of private kilometres travelled by employees in a vehicle during a year by a cents per kilometre rate. The effect of paragraphs 15 and 16 of MT 2034 is that this method can only be used where there is extensive business use of the vehicle.

6. The cents per kilometre rates set out in this Determination are those that applied for the year commencing 1 April 2025, reviewed to reflect the movement in the consumer price index. The rates that applied for the year commencing 1 April 2025 are set out in Taxation Determination TD 2025/1 *Fringe benefits tax: rates to be applied on a cents per kilometre basis for calculating the taxable value of a fringe benefit arising from the private use of a motor vehicle other than a car for the fringe benefits tax year commencing 1 April 2025*.

Status: **not legally binding**

References

Previous rulings and determinations:

TD 2021/4; TD 2022/3; TD 2023/1; TD 2024/1; TD 2025/1

Related rulings and determinations:

MT 2034

Legislative references:

- FBTAA 1986 136(1)
- ITAA 1997 995-1(1)

Other references

Fringe benefits tax – rates and thresholds

ATO references

NO:	1-1AK9J6GN
ISSN:	2205-6211
BSL:	SEO
ATOlaw topic:	Fringe benefits tax ~~ Types of benefit ~~ Car benefits

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