


CR 2023/31 - LogbookMe Pty Ltd - LogbookMe In-Car Logbook Solution for measuring the kilometres travelled in a vehicle for fuel tax credit purposes

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Status: **legally binding**

Class Ruling

LogbookMe Pty Ltd – LogbookMe In-Car Logbook Solution for measuring the kilometres travelled in a vehicle for fuel tax credit purposes

❗ Relying on this Ruling

This publication 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 when the 'Asset Breakdown Report' (the Report) generated from the LogbookMe In-Car Logbook Solution telematics and technology product (the LogbookMe Product) can be used as a record (but not the only record) for fuel tax credit record-keeping purposes.
 2. This Ruling is based on the scheme outlined in paragraphs 15 to 45 of this Ruling and will not rule on whether particular roads are public roads for the purposes of the *Fuel Tax Act 2006*. Furthermore, this Ruling does not:
 - extend to determining entitlement to claim and calculation of fuel tax credits
 - extend to determining whether the road user charge is correctly applied in the apportionment methodology
 - rule on whether the methodology or processes used to determine location, the nature of the activity taking place at that location, or other inputs (such as fuel consumption rates) are correct
 - address the assessability of fuel tax credits for income tax purposes.
- Note:** By issuing this Ruling, the ATO is not endorsing the LogbookMe Product. Potential purchasers/users must form their own view about the product.
3. All legislative references in this Ruling are to Schedule 1 of the *Tax Administration Act 1953*, unless otherwise indicated.

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Who this Ruling applies to

4. This Ruling applies to you if you are a client of LogbookMe Pty Ltd (LBM) that:
- is registered for goods and services tax
 - uses the LogbookMe Product for measuring the kilometres travelled and the location of the travel as part of calculating the extent of your fuel tax credit entitlement, and
 - generates and uses the Report.

When this Ruling applies

5. This Ruling applies to taxable fuel acquired on or after 1 July 2022 to 30 June 2024.

Ruling

6. Subsection 382-5(1) provides that an entity must keep records that record and explain all transactions and other acts it engages in that are relevant to an entitlement to a fuel tax credit.
7. An entity must retain those records for at least 5 years after the completion of the transactions or acts to which they relate.
8. Subsection 382-5(8) provides that the records must be in English, or easily translated into English, and enable an entitlement under an indirect tax law, that is fuel tax, to be ascertained.
9. The Report provides the following information during the selected periods:
- name of driver
 - vehicle registration
 - vehicle classification
 - travel type
 - eligible kilometres for fuel tax credit
 - ineligible kilometres for fuel tax credit
 - total kilometres
 - date from
 - date to.
10. The Report also contains a disclaimer that states:
- Please note, a fuel tax credit entitlement for road travel is based on the classification of roads as public or non-public. As users of LogbookMe's Logbook Solution and this Report, it is your responsibility to ensure the classification of roads as public or non-public is correct, and aligns correctly with the information from the ATO (web content, public rulings and other relevant information). LBM is not responsible for any incorrect classification of roads and, therefore, any incorrect fuel tax credit claim that may result from the incorrect classification.

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11. The Report is produced in English and is exportable to Microsoft Excel (xls), portable document format (PDF) and comma separated values (CSV) format.
12. Provided the Report is retained for 5 years, or in accordance within the specific requirements under section 382-5, it can be used as a record for record keeping purposes in respect of fuel tax credit claims.
13. The Report is a document that satisfies the requirements of a record for the purposes of subsection 382-5(8).
14. However, the Report will not be the only record required to be produced or retained for fuel tax credit purposes. Other evidence or reports could include
- data showing the accuracy of fuel consumption rates used for vehicles
 - fuel acquisition records (such as tax invoices), and
 - documentation showing environmental criteria has been satisfied.

Documentation on the use of fuel and calculations of credits will be required. In addition, source data records will need to be retained where applicable. The client will also need to retain audit logs and evidence of other assurance or process checks that have been undertaken to ensure that the classification of roads and the distances included in the Report are accurate.

Scheme

15. The following 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.
16. Other information referenced is Class Ruling CR 2015/13 *Fuel tax: clients of LogbookMe Pty Ltd who use the reports generated by LogbookMe In-Car Logbook Solution for calculating the kilometres travelled in a vehicle as a record for fuel tax credit purposes*.

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

Overview

17. The LogbookMe Product consists of:
- An In-Car Device (ICD) that is installed in the vehicle to capture kilometres travelled at specific times.
 - A secure cloud-based remote data platform (the Platform) that receives, processes, stores and reports on the trip data location information.
 - A web browser based secure portal (the Portal) that allows the client to review and generate the Report.

In-Car device

18. The ICD is a global positioning system (GPS) device that monitors a vehicle's use including the position of the vehicle, the vehicle's travel (measured in kilometres) and the time and date of the start and cessation of the travel.

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19. Generally, the ICD is installed by the client. LBM has a system in place to ensure the ICD is installed properly and conducts health checks to ensure the device is functioning correctly.

20. The ICD has an inbuilt diagnostic tool which alerts users in the event the GPS reader is not functioning correctly.

21. The following data is input to the ICD by the client, to the extent relevant to the client's enterprise:

- vehicle category
- vehicle sub-category
- body type
- driver name
- vehicle registration.

22. The ICD contains a GPS module, movement sensors, solid-state memory, mobile communication modules, sim card, battery and power socket. The ICD is powered through a USB cable that can be connected to the vehicle's 12-volt cigarette lighter attachment, in-built USB port or on-board diagnostics port.

23. If the data connection is out of range the ICD records all trip data which can be uploaded once connection is re-established.

24. Each time the ICD senses travel of the vehicle, the ICD automatically and continuously records the vehicle's current location using the GPS geocoding. The ICD records the current location, time and date and kilometres travelled within eligible or ineligible locations as set by the geocodes.

25. The recorded data is saved onto the ICD's memory. The recorded data is then automatically sent on a periodic basis to the Platform using wireless data interchange on a mobile network.

26. If the mobile internet network is unavailable the ICD will automatically store the recorded data and periodically resend it until it is successfully saved to the Platform.

Platform

27. The Platform receives all transmissions continuously while the ICD is operating and verifies data integrity and receipt.

28. The Platform processes the transmission and generates a log for the vehicle in which the ICD is installed. As part of the processing the various transmissions are collated to create individual trips (Trip Log).

29. The Trip Log is then applied to classify segments of each travel event within the eligible and ineligible boundaries and the total number of kilometres travelled within the boundaries. 'Eligible locations' refers to off public road locations and 'ineligible locations' refers to on public road locations. Ineligible locations apply to light vehicles.¹

30. Eligible and ineligible locations are declared by the client by providing LBM with the relevant geocodes and geocoordinates, who will then upload the pre-defined zones onto the Platform.

¹ Light vehicle has a gross vehicle mass of 4.5 tonnes or less.

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31. The Trip Log shows:

- all travel
- date of each travel event
- start and end time of each travel event
- address at start and end of each travel event
- total kilometres travelled
- odometer readings at start and end of each travel event.

32. The location is recorded as eligible or ineligible based on the geopoints provided to LBM by the client; hence, the system is customised for each client and this information dictates the parameters relevant for each client. The vehicle driver does not determine the declared boundary locations of each travel event.

Portal

33. The Portal utilises the sorted data in the Platform and produces the Report that shows the number of kilometres travelled by each vehicle within the eligible and ineligible locations, and the period of the Report.

34. Each user account on the Portal is secured via an encrypted password. If technical issues occur, the client can email the LBM support team according to a pre-set service level agreement.

35. The client, once access is granted, can log in to their user account and view both the reporting numbers and supporting mapping data related to each eligible kilometre.

36. The client can check and view particular journeys on a map via the Trip Manager report. This assists with their audit of the dataset to determine the validity of the journey and reconcile it to the relevant report.

37. LBM only provide the client with read-only access. Where geofences need to be updated, it can only be done using an account with the requisite permissions. All changes will be documented in the audit log.

38. The data captured in the audit log includes:

- date of change
- time of change (to the nearest second)
- user who is making the change
- user or record that is being changed
- details of the change being made, including the data before and after the change if applicable.

39. LBM does not provide clients with any fuel tax credits related advice beyond the data that is generated in the Report.

40. It is the client's responsibility to ensure the classification of roads as public or off public are accurate, and provide LBM with the correct geocodes.

41. It is also the client's responsibility to check and ensure any changes to the geofence are made if they identify any changes to the classification of roads as either public roads or off public roads.

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Governance, assurance and controls

42. The following governance, assurance and internal controls are in place:
- LBM conducts rigorous testing of ICDs to ensure they are stable and record data correctly.
 - Prior to ICD despatch, all devices are tested and individually labelled with the driver's name and vehicle registration so there is no mix up.
 - The client is responsible for the installation, however, an auto-electrician may be deployed to install the device if there is an issue. Should the device have not been installed correctly, LBM will be notified to assist in the calibration of the device.
 - LBM conducts health checks regularly to ensure ICD are functioning correctly after installation.
 - The Platform is subject to multiple rounds of user acceptance testing to ensure data is processed correctly and data outputs conform with specification of the module.
 - The Portal is secured via encrypted password and has segregated user access roles. Any edits made in the Portal will be captured in the audit log.
 - LBM staff are trained to action user, vehicle and device movements only with the prior approval of an authorised contact from the client.
 - LBM has reconciliation reporting available for the client. The client will be able to utilise this to cross check whether it is likely any data is missing by comparing their fuel consumption and odometer readings. The client can select a particular journey for a particular period to be able to visually review the location to ensure the classification is correct. Any changes will be captured in the audit log.
 - LBM does not provide any fuel tax credits related advice to the client other than recording the geospatial data and overlaying their eligible zone dataset.

Reporting

43. The client can manage data and generate the Report via the Portal.
44. The Report provides the following during the selected period:
- name (name of drivers)
 - rego (vehicle registration)
 - vehicle classification (light and heavy vehicles)
 - travel type (on public roads or off public roads)
 - eligible kilometres for fuel tax credit (light and heavy vehicles)
 - ineligible kilometres for fuel tax credit (light vehicles only)
 - total kilometres (total kilometres travelled)
 - date from (start of selected travel periods)
 - date to (end of the selected travel periods).

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45. The Report, when used in conjunction with other supporting documentation, can assist in determining the extent of taxable fuel to be apportioned for fuel tax credit purposes.

Commissioner of Taxation

14 June 2023

Status: **not legally binding**

References

Previous Rulings/Determinations:

CR 2015/13

- TAA 1953 Sch 1 382-5
- TAA 1953 Sch 1 382-5(1)
- TAA 1953 Sch 1 382-5(8)

Legislative references:

- FTA 2006

ATO references

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