


TD 94/D12 - Fringe benefits tax: are meals supplied to crew members on trawlers subject to fringe benefits tax?

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This document has been finalised by TD 94/47.

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Draft Taxation Determination

Fringe benefits tax: are meals supplied to crew members on trawlers subject to fringe benefits tax?

1. Yes. The provision of a meal would constitute a board fringe benefit in terms of section 35 of the *Fringe Benefits Tax Assessment Act 1986* (FBTAA).
2. However, where meals are provided to crew members who are travelling in the course of their employment, the 'otherwise deductible' rule contained in section 37 of the FBTAA applies to reduce the taxable value of the benefit to nil.
3. We accept that crew members are travelling in the course of their employment if the vessel which they are engaged is operating away from its home port.

NOTE: For more detailed explanation of the operation of sections 35 and 37, refer to Taxation Ruling TR 94/1.

Example

Fred Mc Rura is a crew member of a trawler in the Northern Prawn Fishery. He and his family live in his home port of Cairns in North Queensland. Fred is required by his employer to travel for various periods of time ranging from a few days to many months.

In these circumstances it is accepted that Fred is travelling in the course of his employment and therefore the taxable value of the board fringe benefit is reduced to nil under the 'otherwise deductible' rule.

Commissioner of Taxation
17/2/94

FOI INDEX DETAIL: Reference No.

Related Rulings: TR 94/1

Subject Ref: meals; fishing industry; fringe benefits tax; otherwise deductible; board fringe benefit

Legislative Ref: FBTAA 35; FBTAA 37

ATO Ref: TOW 15

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