


TD 94/D64 - Fringe benefits tax: where a car park operator charges different rates for all-day car parking, which rate is relevant in determining the taxable value of a car parking fringe benefit under section 39C of the Fringe Benefits Tax Assessment Act 1986 ?

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Draft Taxation Determination

Fringe benefits tax: where a car park operator charges different rates for all-day car parking, which rate is relevant in determining the taxable value of a car parking fringe benefit under section 39C of the *Fringe Benefits Tax Assessment Act 1986* ?

1. Section 39C provides for the taxable value of a car parking fringe benefit to be equal to the lowest fee charged by a commercial parking station operator in the ordinary course of business for all-day parking which is available to members of the public.
2. However, where the operator of a commercial parking station sets aside a proportionately small number of car parking spaces and, for those spaces only, charges a rate which is significantly lower than the remaining car parking spaces, it is considered that paragraph 39E(2)(b) would apply to deem the rate to be that rate charged on the majority of the car spaces.
3. Paragraph 39E(2)(b) would not apply if the employer could show that there was a predominantly commercial reason, other than to reduce car parking taxable values, for the lower fees charged.

Example 1

A commercial parking station operator sets aside 10 spaces in a carpark of 300 spaces. For the 10 spaces, the rate is \$1 per day, and on the remaining spaces the rate is \$10 per day. On this basis, the reduced rate of \$1 per day would not be relevant in determining the taxable value of the fringe benefit.

Example 2

In a three storey commercial parking station, there are 100 spaces per storey. The rate for parking on the top storey in open air is \$5. The rate for covered parking on other floors is \$8. On this basis, the reduced rate of \$5 per day would be the relevant rate used in determining the taxable value of the fringe benefit.

Commissioner of Taxation

2/6/94

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