TD 93/59 - Fringe benefits tax: what are the new 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 year commencing 1 April 1993?

Taxation Determination

Fringe benefits tax: what are the new 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 year commencing 1 April 1993?

1. The rates that may be applied on a cents per kilometre basis for calculating the taxable value of a fringe benefit arising from the private use by an employee (or an associate) of a motor vehicle other than a car, have been revised to reflect movements in the Consumer Price Index.

2. Taxation Ruling MT2034 outlines a number of methods that may be used to value the benefit of the right to use an employer's motor vehicle other than:

- a motor car, station wagon, panel van, utility truck or similar vehicle; or
- any other road vehicle designed to carry a load of less than 1 tonne or fewer than 9 passengers.

For example, the Ruling applies to calculate the benefit arising from the use of a motor cycle or a vehicle designed to carry a load of one tonne or more.

3. The Ruling indicates that 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.

4. The new rates to be applied where the cents per kilometre basis is used for the fringe benefits tax year commencing 1 April 1993 are:

Engine capacity	Rate per kilometre
0 - 2500cc	29 cents
Over 2500cc	35 cents
Motor cycles	9 cents

Commissioner of Taxation
1/4/93

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Related Determinations:

Related Rulings: MT 2034

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