


***CR 2014/2 - Income tax and fringe benefits tax:  
clients of Perfekt COM Pty Ltd trading as GPS Log  
Book who use the Vehicle Tax Period Report***

 This cover sheet is provided for information only. It does not form part of *CR 2014/2 - Income tax and fringe benefits tax: clients of Perfekt COM Pty Ltd trading as GPS Log Book who use the Vehicle Tax Period Report*



## Class Ruling

### Income tax and fringe benefits tax: clients of Perfekt COM Pty Ltd trading as GPS Log Book who use the *Vehicle Tax Period Report*

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#### **ⓘ This publication provides you with the following level of protection:**

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

A public ruling is an expression of the Commissioner's opinion about the way in which a relevant provision applies, or would apply, to entities generally or to a class of entities in relation to a particular scheme or a class of schemes.

If you rely on this ruling, the Commissioner must apply the law to you in the way set out in the ruling (unless the Commissioner is satisfied that the ruling is incorrect and disadvantages you, in which case the law may be applied to you in a way that is more favourable for you – provided the Commissioner is not prevented from doing so by a time limit imposed by the law). You will be protected from having to pay any underpaid tax, penalty or interest in respect of the matters covered by this ruling if it turns out that it does not correctly state how the relevant provision applies to you.

## What this Ruling is about

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1. This Ruling sets out the Commissioner's opinion on the way in which the relevant provisions identified below apply to the defined class of entities, who take part in the scheme to which this Ruling relates.

### Relevant provisions

2. The relevant provisions dealt with in this Ruling are:
- subdivision 28-F of the of the *Income Tax Assessment Act 1997* (ITAA 1997);
  - Subdivision 900-E of the ITAA 1997;
  - section 10A of the *Fringe Benefits Tax Assessment Act 1986* (FBTAA).

## Class of entities

3. The class of entities to which this Ruling applies is clients of Perfekt COM Pty Ltd trading as GPS Log Book (Perfekt COM) who use the 'Vehicle Tax Period Report' (Vehicle Tax Period Report) for the purposes of subdivision 28-F of the ITAA 1997 or section 10 of the FBTA.
4. Within this Ruling the class of entities are referred to as GPS Log Book clients.

## Qualifications

5. The Commissioner makes this Ruling based on the precise scheme identified in this Ruling.
6. The class of entities defined in this Ruling may rely on its contents provided the scheme actually carried out is carried out in accordance with the scheme described in paragraphs 9 to 23 of this Ruling.
7. If the scheme actually carried out is materially different from the scheme that is described in this Ruling, then:
  - this Ruling has no binding effect on the Commissioner because the scheme entered into is not the scheme on which the Commissioner has ruled
  - this Ruling may be withdrawn or modified.

## Date of effect

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8. This Ruling applies from 1 April 2013. However, this Ruling will not apply to taxpayers to the extent that it conflicts with the terms of a settlement of a dispute agreed to before the date of issue of this Ruling (see paragraphs 75 and 76 of Taxation Ruling TR 2006/10).

## Scheme

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9. The following description of the scheme is based on information provided by the applicant in the application for a Class Ruling dated 20 August 2013, a letter dated 21 October 2013 and emails received on 25 November 2013 and 28 November 2013.
10. Additional information was obtained from the GPS Log Book website including:
  - a demonstration *Vehicle Tax Period Report* for the period 1 March 2013 to 31 July 2013;
  - a document titled *GPS Log Book User Manual v1.1*;
  - a document titled *GPS Log Book Product*;

- a document titled *The GPS Log Book Product Overview*;
- a document titled *The GPS Log Book benefits*;
- a document titled *GPS Log Book - FAQ*.

The relevant parts of the application form part of and are to be read with the description.

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

11. Perfekt COM has developed two devices to electronically record details of the journeys undertaken by a car. The two devices are:

- GPS Log Book;
- GPS Log Book LiVE.

12. Information from both devices is transferred to the GPS Log Book website where it can be used to generate a number of reports, including a *Vehicle Tax Period Report*.

### **GPS Log Book**

13. The GPS Log Book is designed to plug into a car's cigarette lighter/12V power socket. The device contains a high sensitivity Global Positioning System (GPS) receiver and intelligent logging software allowing it to record the date and time, GPS position and speed of a car at any point in a journey.

14. The GPS Log Book starts recording details of a journey when the ignition is turned on and the car starts moving. The device will automatically stop recording details of a journey when the ignition is turned off.

15. The data is recorded into the flash memory of the device and is transferred to the GPS Log Book website by connecting the device to a computer with a USB cable.

### **GPS Log Book LiVE**

16. GPS Log Book LiVE is similar to the GPS Log Book in that it contains the same GPS receiver and intelligent logging software. It also can be plugged into the car's cigarette lighter/12V power socket.

17. However, as an alternative to using the car's cigarette lighter/12V power socket, GPS Log Book LiVE can be installed under the dashboard.

18. The other difference between the two devices is that GPS Log Book LiVE has an internal Subscriber Identity Module (SIM) card which enables data to be transferred directly to the GPS Log Book website.

## GPS Log Book website

19. The GPS Log Book Web Interface allows the user to manage the relevant device and the data transferred from the device. It contains the following web pages:

- Trips page which displays all the journeys for a car and enables the user to designate a journey as being private or business and to enter the purpose of the journey;
- Zones page which enables the user to designate a location as a business zone or a private zone. Any journeys that go from a business zone to another business zone are automatically designated as business journeys by the system;
- Reports page which can be used to generate a number of reports including the *Vehicle Tax Period Report*;
- Account page which enables the user to edit their personal details, change password, change settings, receive a reminder to transfer data from the device, receive newsletters and modify device parameters;
- Support page which provides information about the system.

20. To enable a *Vehicle Tax Period Report* to be produced, the user is required to review the data transferred from the device. This includes:

- entering the odometer reading for the car;
- identifying the journeys that are business journeys; and
- entering the purpose of the journeys.

21. The odometer reading at the start of the period is entered manually according to the car's odometer. The start and end odometer readings for each journey are calculated using the manually entered odometer reading at the start of the period and data logged by the relevant device.

22. The calculated odometer readings may be revised when the odometer reading is entered at the end of the period. If the calculated reading is different to actual reading entered, the GPS Log Book system will recalculate the start and end odometer readings for each trip recorded in the period.

23. If the purpose of the journey is not entered a *Vehicle Tax Period Report* can not be generated.

***Vehicle Tax Period Report***

24. The *Vehicle Tax Period Report* displays the following information in relation to a specific car for a specific period:

- details of the car including the owner, registration number, make, model and engine capacity;
- opening and closing odometer readings for the period;
- the total kilometres travelled in the period;
- total business kilometres travelled in the period;
- the business travel percentage for the period;
- the start date of each business journey in the period;
- the end date of each business journey in the period;
- the start time of each business journey in the period;
- the start location and end location of each business journey in the period;
- the distance in kilometres of each business journey in the period;
- the odometer readings at the start and end of each business journey in the period;
- the reason for each journey

**Ruling**

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25. The *Vehicle Tax Period Report* will enable the log book method in Subdivision 28-F of the ITAA 1997 to be used provided:

- there is written evidence of the car expenses which satisfies the requirements of Subdivision 900-E of the ITAA 1997;
- the data is transferred to the GPS Log Book website and reviewed at least once a week;
- the reason recorded for each business journey is sufficiently descriptive of the purpose of the journey so as to enable the journey to be classified as a business journey.

26. The *Vehicle Tax Period Report* will satisfy the requirements of section 10A of the FBTAA provided:

- the data is transferred to the GPS Log Book website and reviewed at least once a week;
- the purpose of each business journey is sufficiently descriptive to enable the journey to be classified as a business journey.

Class Ruling

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Page status: **legally binding**

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**Commissioner of Taxation**

8 January 2014

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## Appendix 1 – Explanation

**ⓘ** *This Appendix 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.*

**Will the *Vehicle Tax Period Report* enable the 'log book' method in Subdivision 28-F of the ITAA 1997 to be used to calculate the income tax deduction for car expenses?**

27. Division 28 of the ITAA 1997 provides four methods that can be used by an individual or alternatively by a partnership (that includes at least one individual) to calculate the amount of the income tax deduction that can be claimed for car expenses.

28. One of the methods is the 'log book' method which is contained in Subdivision 28-F of the ITAA 1997. To be able to use this method the substantiation requirements set out in section 28-100 of the ITAA 1997 must be met.

29. Section 28-100 of the ITAA 1997 states:

### **SECTION 28-100 Substantiation**

**28-100(1)** To use this method, you must substantiate the car expenses under Subdivision 900-C.

**28-100(2)** You must also keep a log book. Subdivision 28-G explains:

- how often you need to keep a log book;
- how to keep a log book.

The log book is relevant to estimating the number of business kilometres the car travelled in the period when you held it during the income year.

**28-100(3)** You must keep odometer records for the period when you held the car during the income year. Subdivision 28-H tells you about odometer records, which document the total number of kilometres the car travelled in that period.

**28-100(4)** You must record the following information, in writing, before you lodge your income tax return:

- (a) your estimate of the number of business kilometres; and
- (b) the business use percentage.

However, the Commissioner may allow you to record the information later.

**28-100(5)** You must retain the log book and the odometer records. Subdivision 28-I has the rules about this.

30. Therefore, the use of the 'log book' method to calculate the income tax deduction for a car expense requires:

- (a) the car expense to be substantiated in accordance with Subdivision 900-C of the ITAA 1997,

- (b) a log book that satisfies the requirements of Subdivision 28-G of the ITAA 1997,
- (c) odometer records that satisfy the requirements of Subdivision 28-H of the ITAA 1997,
- (d) an estimate to be made of the number of business kilometres and the business use percentage.

***Does the Vehicle Tax Period Report substantiate a car expense in accordance with Subdivision 900-C of the ITAA 1997?***

31. Section 900-70 of the ITAA 1997 requires the amount of the car expense to be substantiated by written evidence that satisfies the requirements of Subdivision 900-E of the ITAA 1997. This includes a requirement to obtain certain documentation from the supplier. Guidance as to the documentary or other evidence that will normally be accepted as being sufficient evidence for these purposes is provided in Practice Statement Law Administration PS LA 2005/7.<sup>1</sup>

32. By itself, the *Vehicle Tax Period Report* will not satisfy this requirement as it does not provide documentation from the supplier. Therefore, GPS Log Book clients who wish to use the 'log book' method to calculate their income tax deduction for car expenses will need to separately keep written evidence of the expenses in the same manner as they would if using an alternative record keeping system.

***Does the Vehicle Tax Period Report satisfy the log book requirements of Subdivision 28-G of the ITAA 1997?***

33. Section 28-110 of the ITAA 1997 summarises the log book requirements as follows:

There are 3 steps you need to follow in keeping a log book:

- identify an income year for which to keep a log book;
- choose a period of at least 12 weeks for the log book to cover;
- record journeys made in the car during the log book period in the course of producing your assessable income.

***Will the Vehicle Tax Period Report be kept during the relevant year?***

34. Section 28-115 of the ITAA 1997 sets out the income years in which a log book must be kept. Section 28-115 of the ITAA 1997 states:

**28-115(1)** You need to keep a log book for the first income year for which you use this method for the car.

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<sup>1</sup> Practice Statement Law Administration PS LA 2005/7 *Substantiation of deductions claimed by individual taxpayers for work and car expenses incurred in the course of earning non-business and non-investment income*

**28-115(2)** Having kept a log book for one income year, you don't need to keep a new one for the next 4 or more income years unless subsection (3) or (4) requires it. If you haven't kept a new log book for 4 income years in a row, you must keep one for the next income year.

Example:

If you keep a log book in 1997-98, you would need to keep the next one in 2002-2003, unless subsection (3) or (4) requires one sooner.

**28-115(3)** You must keep a log book for an income year if the Commissioner sends you a notice before the year directing you to keep a log book for the car for that year.

**28-115(4)** You must keep a log book for an income year if, during that year, you get one or more additional cars for which you want to use the "log book" method for that year.

**28-115(5)** When you replace one car with another, you might have a period when you hold both the new car and the old car, or a period when you no longer hold the old car but do not yet hold the new car. In both these cases, you are treated for the purposes of subsection (4) as if you held the one car continuously.

**28-115(6)** You may choose to keep a log book for an income year even if you don't need to; for example, because you want to establish a higher business use percentage.

35. As the GPS Log Book system is an ongoing continuous record keeping system, the *Vehicle Tax Period Report* will satisfy subsections 28-115(1) and 28-115(6) of the ITAA 1997.

*Will the Vehicle Tax Period Report cover a 12 week period?*

36. The requirement contained in section 28-120 of the ITAA 1997 for the log book to be kept for a continuous 12 week period will be met.

*Will the Vehicle Tax Period Report contain the details required by section 28-125 of the ITAA 1997?*

37. Section 28-125 of the ITAA 1997 sets out the way in which a log book is to be kept. Section 28-125 of the ITAA 1997 states:

**28-125(1)** It is in your interests to record in the log book any journey made in the car during the log book period in the course of producing your assessable income. If a journey is not recorded, the log book will indicate a lower business use percentage than is actually the case.

**28-125(2)** A journey is recorded by making in the log book an entry specifying:

- (a) the day the journey began and the day it ended;
- (b) the car's odometer readings at the start and end of the journey;
- (c) how many kilometres the car travelled on the journey;

- (d) why the journey was made.

The record must be made at the end of the journey or as soon as possible afterwards.

**28-125(3)** If 2 or more journeys in a row are made in the car on the same day in the course of producing your assessable income, they can be recorded as a single journey.

**28-125(4)** The following must be entered in the log book:

- (a) when the log book period begins and ends;
- (b) the car's odometer readings at the start and the end of the period;
- (c) the total number of kilometres that the car travelled during the period;
- (d) the number of kilometres that the car travelled, in the course of producing your assessable income, on journeys recorded in the log book;
- (e) the number of kilometres referred to in paragraph (d), expressed as a percentage of the total number referred to in paragraph (c).

Each of the entries must be made at or as soon as possible after the start or end of the period, as appropriate.

**28-125(5)** Each entry in the log book must be in English.

38. Paragraph 28-125(2)(a) of the ITAA 1997 requires the day the journey began and the day it ended to be entered for each journey. The *Vehicle Tax Period Report* satisfies this requirement.

39. Paragraph 28-125(2)(b) of the ITAA 1997 requires the car's odometer readings at the start and end of each journey to be recorded. The *Vehicle Tax Period Report* satisfies this requirement.

40. Paragraph 28-125(2)(c) of the ITAA 1997 requires the number of kilometres travelled by the car in the course of each journey to be shown. The *Vehicle Tax Period Report* satisfies this requirement.

41. Paragraph 28-125(2)(d) of the ITAA 1997 requires the reason for the journey to be shown. Before a *Vehicle Tax Period Report* can be generated, the user is required to enter the reason for each journey. Therefore, this requirement will be met provided the reasons recorded for each of the business journeys are sufficiently descriptive so as to enable the journeys to be classified as business journeys.

42. In addition, subsection 28-125(2) of the ITAA 1997 requires the entries to be made at, or as soon as possible after, the end of the journey. The *Vehicle Tax Period Report* entries are made when the logged data is transferred to the GPS Log Book website and the user records the odometer reading as at that date, identifies the journeys that are business journeys and the reasons for the journeys.

43. Although the *Vehicle Tax Period Report* entries may not be transferred to the GPS Log Book website immediately after a journey occurs, this will not affect the integrity of the system provided the logged data is transferred to the GPS Log Book website and reviewed at least weekly.

44. Subsection 28-125(4) of the ITAA 1997 requires the following details to be entered into the log book:

- the date on which the log book period begins and ends,
- the car's odometer readings at the start and end of the period,
- the total number of kilometres that the car travelled in the period,
- the number of kilometres that the car travelled in the course of producing assessable income on journeys recorded in the log book,
- the number of kilometres that the car travelled in the course of producing assessable income as a percentage of the total number of kilometres travelled during the period.

45. The *Vehicle Tax Period Report* will satisfy each of these requirements as:

- it shows the start and end dates for the log book,
- the car's odometer readings at the beginning and end of the period are manually entered by the user,
- it calculates the total number of kilometres travelled by the car during the period using the manually entered odometer readings,
- it calculates the total number of kilometres that the car travelled in the course of producing assessable income during the period,
- it calculates the number of kilometres travelled in the course of producing assessable income as a percentage of the total number of kilometres travelled.

46. In addition, subsection 28-125(4) of the ITAA 1997 requires each of the entries to be made at, or as soon as reasonable practical after the start or end of the period (as appropriate).

Subsection 28-125(5) of the ITAA 1997 requires each entry to be in English. The *Vehicle Tax Period Report* satisfies both of these requirements as the car's odometer readings are entered at the start and end of the period and the report is produced in English.

47. Therefore, the *Vehicle Tax Period Report* will satisfy the requirements of section 28-125 of the ITAA 1997 provided:

- the data is transferred to the GPS Log Book website and reviewed at least once a week;
- the reason recorded for each business journey is sufficiently descriptive of the purpose of the journey so as to enable it to be classified as a business journey.

***Does the Vehicle Tax Period Report satisfy the odometer records requirements of Subdivision 28-H of the ITAA 1997?***

48. The *Vehicle Tax Period Report* satisfies the requirements for keeping odometer records set out in section 28-140 of the ITAA 1997.

***Does the Vehicle Tax Period Report provide an estimate of the number of business kilometres and the business use percentage?***

49. Both of these requirements are met as the Vehicle Tax Period Report shows:

- the total of the distances calculated as being travelled on the journeys identified as business journeys;
- the total number of kilometres that the car travelled during the relevant period;
- the calculated business use percentage.

***Conclusion on whether the Vehicle Tax Period Report will enable the 'log book' method in Subdivision 28-F of the ITAA 1997 to be used to calculate the income tax deduction for a car***

50. As discussed above at paragraph 32 of this Ruling, the *Vehicle Tax Period Report* will not by itself substantiate a car expense in accordance with Subdivision 900-C of the ITAA 1997

51. However, the *Vehicle Tax Period Report* will enable the log book method in Subdivision 28-F of the ITAA 1997 to be used if:

- there is written evidence of the car expenses which satisfies the requirements of Subdivision 900-E of the ITAA 1997;
- the data is transferred to the GPS Log Book website and reviewed at least once a week;
- the reason recorded for each business journey is sufficiently descriptive of the purpose of the journey so as to enable it to be classified as a business journey.

***Will the Vehicle Tax Period Report satisfy the requirements of section 10A of the FBTAA?***

52. Section 10 of the FBTAA allows employers to elect to calculate the taxable value of a car fringe benefit using the cost basis method (operating cost method).

53. Where this election is made, subsection 10(2) of the FBTAA provides that the taxable value of the car fringe benefit will be the amount calculated in accordance with the formula:

$$(C \times (100\% - BP)) - R$$

where:

**C** is the operating cost of the car during the holding period;

**BP** is:

- (a) if, under sections 10A or 10B, the employer is not entitled to a reduction in the operating cost of the car on account of business journeys undertaken in the car during the holding period, nil; or
- ...
- (b) in any other case - the business use percentage applicable to the car for the holding period; and

**R** is the amount (if any) of the recipient's payment.

54. Therefore, an employer intending to claim a reduction in the operating costs of a car, on account of the business journeys undertaken during the holding period, must meet the requirements of section 10A of the FBTAA (if the year is a log book year of tax) or section 10B of the FBTAA (if the year is not a log book year of tax).

55. Subsection 162G(1) of the FBTAA which sets out various circumstances in which a particular year will be a log book year of tax for a car fringe benefit states:

**162G(1) [Conditions]** For the purposes of the application of section 10 in relation to a car fringe benefit in relation to an employer in relation to a particular car while it was held by a particular person (in this subsection called the “**provider**”) during a particular period (in this subsection called the “**holding period**”) in a year of tax (in this subsection called the “**current year of tax**”), the current year of tax is a log book year of tax of the employer in relation to the car if, and only if:

- (a) none of the previous 4 years was a log book year of tax of the employer in relation to the car;  
 Note: This paragraph will apply if it is the first year that the employer uses the cost basis method.
- (b) the employer elects that the current year of tax be treated as a log book year of tax of the employer in relation to the car; or...
- (h) the Commissioner causes a notice in writing to be served on the employer before the commencement of the current year of tax requiring the employer to treat the current year of tax as a log book year of tax of the employer in relation to the car.

56. As the GPS Log Book system is an ongoing continuous record keeping system, each year the GPS Log Book system is used will be a log book year of tax under either:

- paragraph 162G(1)(a) of the FBTAA (where none of the previous four years was a log book year of tax for the particular car), or
- paragraph 162G(1)(b) of the FBTAA as the employer in electing to use the GPS Log Book system makes an election to treat the year as a log book year of tax.

57. Therefore, in determining whether the employer is able to claim a reduction in the operating costs of the car on account of the business journeys undertaken during the holding period, it is only necessary to consider whether the requirements of section 10A of the FBTAA are met.

58. Section 10A of the FBTAA requires that in a log book year:

- (a) log book records are maintained for an applicable log book period,
- (b) odometer records are maintained for an applicable log book period,
- (c) odometer records are maintained for the period of the year in which the car was held,
- (d) the employer estimates the number of business kilometres travelled during the period of the year in which the car was held,
- (e) the employer specifies the business use percentage.

***Does the Vehicle Tax Period Report provide log book records for an applicable log book period?***

59. The applicable log book period is defined in subsection 162H(1) of the FBTAA to be a period that is the lesser of 12 weeks, or the period of the year for which the car was held. As *the Vehicle Tax Period Report* provides a continuous record of the journeys undertaken, it will be kept for an applicable log book period.

60. Subsection 136(1) of the FBTAA defines 'log book records' as follows:

***log book records***, in relation to a car held by a person (in this definition called the *holder*), in relation to a period, means a daily log book or similar document in which, in respect of each business journey:

- (a) that is undertaken in the car during the period; and
- (b) that the holder, or a person acting on behalf of the holder, chooses to record in the document for the purpose of demonstrating the pattern of use of the car during the period;

an entry setting out particulars of:

- (c) the date on which the journey began and the date on which it ended; and
- (d) the respective odometer readings of the car at the beginning and end of the journey; and
- (e) the number of kilometres travelled by the car in the course of the journey; and
- (f) the purpose or purposes of the journey;
- (g) (Omitted by No 145 of 1995)
- (h) (Omitted by No 145 of 1995)
- (j) (Omitted by No 145 of 1995)

is made in the English language at, or as soon as reasonably practicable after, the end of the journey.

61. Paragraph (c) of the definition of 'log book records' requires each entry to detail the dates on which the business journeys began and ended. As discussed at paragraph 38 of this Ruling, this requirement is met.

62. Paragraph (d) of the definition of 'log book records' requires the respective odometer readings of the car at the beginning and at the end of the journey to be entered into the relevant records. As discussed above at paragraph 39 of this Ruling, this requirement is met.

63. Paragraph (e) of the definition of 'log book records' requires the number of kilometres travelled by the car in the course of each business journey to be shown. As previously discussed at paragraph 40 of this Ruling, this requirement is met.

64. Paragraph (f) of the definition of 'log book records' requires the purpose or purposes of the journey to be recorded. As previously discussed at paragraph 41 of this Ruling, this requirement will be met if the information entered when the data is uploaded to the GPS Log Book website is sufficiently descriptive of the purposes of the business journeys to enable those journeys to be classified as business journeys.

65. In addition, the definition of 'log book records' requires each of the entries to be made in the English language at, or as soon as reasonable practical after, the end of the journey. As discussed at paragraph 46 of this Ruling, each entry will be in English. Further, as discussed at paragraph 43 of this Ruling, the requirement for the entries to be made as soon as reasonably practical after, the end of the journey will be met provided the logged data is transferred to the GPS Log Book website and reviewed in a timely manner (at least weekly).

66. Therefore, the *Vehicle Tax Period Report* will satisfy the definition of 'log book records' in subsection 136(1) of the FBTAA provided:

- the data is transferred to the GPS Log Book website and reviewed at least once a week;
- the reason recorded for each business journey is sufficiently descriptive of the purpose of the journey so as to enable it to be classified as a business journey.

***Does the Vehicle Tax Period Report provide odometer records for an applicable log book period?***

67. The definition of 'odometer records' in subsection 136(1) of the FBTAA requires details of the odometer reading of the car at the beginning and end of the period to be recorded in English at, or as soon as reasonably practicable after the time to which the odometer readings relate.

68. The *Vehicle Tax Period Report* satisfies these requirements as the car's odometer readings are entered at the start and the end of the period and the report is produced in English.

***Does the Vehicle Tax Period Report provide odometer records for the period of the year in which the car is held?***

69. As discussed at paragraph 45 of this Ruling, this requirement is met.

***Does the Vehicle Tax Period Report provide an estimate of the business kilometres travelled during the period of the year in which the car was held?***

70. As discussed above at paragraph 49 of this Ruling, the GPS Log Book system calculates the total of the distances travelled on the journeys identified as being a business journey. This total is shown in the *Vehicle Tax Period Report*.

***Does the Vehicle Tax Period Report specify a percentage as the business use percentage?***

71. Subsection 136(1) of the FBTAA defines 'business use percentage' to mean the percentage worked out using the formula:

$$\frac{\text{Number of business kilometres travelled by the car during the holding period}}{\text{Total number of kilometres travelled by the car during the holding period}} \times 100\%$$

72. The *Vehicle Tax Period Report* satisfies this requirement as the GPS Log Book system is able to calculate the total number of kilometres travelled by the car during the holding period from the odometer readings manually entered. By using this figure and the calculated total business kilometres, the GPS Log Book system is able to calculate the business use percentage which is displayed in the *Vehicle Tax Period Report*.

***Conclusion on whether the Vehicle Tax Period Report meets the relevant requirements of section 10A of the FBTAA***

73. As discussed above in paragraphs 52 to 72 of this Ruling, the *Vehicle Tax Period Report* will satisfy the requirements of section 10A of the FBTAA if the user enters the purpose of the journey when the data is uploaded to the GPS Log Book website.

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## **Appendix 2 – Detailed contents list**

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74. The following is a detailed contents list for this Ruling:

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