


# ***CR 2017/65 - Fringe benefits tax: employers using the EZYCarLog mobile APP Logbook Solution for car log book and odometer records***

 This cover sheet is provided for information only. It does not form part of *CR 2017/65 - Fringe benefits tax: employers using the EZYCarLog mobile APP Logbook Solution for car log book and odometer records*



## Class Ruling

### Fringe benefits tax: employers using the EZYCarLog mobile APP Logbook Solution for car log book and odometer records

Contents	Para
<b>LEGALLY BINDING SECTION:</b>	
<b>Summary – what this ruling is about</b>	<b>1</b>
<b>Date of effect</b>	<b>7</b>
<b>Scheme</b>	<b>8</b>
<b>Ruling</b>	<b>28</b>
<b>NOT LEGALLY BINDING SECTION:</b>	
<b>Appendix 1:</b>	
<b>Explanation</b>	<b>34</b>
<b>Appendix 2:</b>	
<b>Detailed contents list</b>	<b>78</b>

#### **① 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.

## Summary – what this ruling is about

1. This Ruling sets out the Commissioner's opinion on the way in which the relevant provision(s) 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:

- section 10A of the *Fringe Benefits Tax Assessment Act 1986* (FBTAA)
- section 10B of the FBTAA
- subsection 136(1) of the FBTAA.

All references in this Ruling are to the FBTAA unless otherwise stated.

## Class of entities

3. The class of entities to which this Ruling applies is those employers who use the EzyCarLog 'mobile Application Logbook Solution', (hereafter referred to as, 'EzyCarLog Solution'), a system for car log book record and odometer record keeping requirements.

## Qualifications

4. The Commissioner makes this Ruling based on the precise scheme identified in this Ruling.

5. 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 8 to 27 of this Ruling.

6. 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, and
- this Ruling may be withdrawn or modified.

## Date of effect

---

7. This Ruling applies from 1 July 2017 to 30 June 2022. The Ruling continues to apply after 30 June 2022 to all entities within the specified class who entered into the specified scheme during the term of the Ruling. 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

---

8. The following description of the scheme is based on information provided by the applicant.

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

9. The EzyCarLog Solution is a smart phone based mobile application platform which can be used to log the journeys of a car during a pre-determined period. EzyCarLog Solution offers a default 12 week period but allows the log book to record any period of time as determined by the user.

10. EzyCarLog Solution consists of:

- car and employee registration with secure login and password features
- smart phone based mobile application (APP) allowing the driver to classify journey information and record the purpose of each journey
- secure remote data management platform (Platform) that securely receives, processes, reports and stores the journey information
- reporting module to generate reports.

11. The APP includes a Global Positioning System (GPS) feature that is able to monitor the position of the car so as to determine the car's journeys. It also records the start and stop times of the journeys and calculates the distance travelled in each of the journeys.

12. The APP contains a GPS module (movement sensors), to ensure the APP cannot be used whilst the car is in motion.

13. The user is prompted to enter the following information upon receiving the APP prior to commencing the first trip for which the APP is used:

- login and password details
- opening odometer reading from the vehicle's built-in odometer
- car registration details including number plate registration, year of manufacture, manufacturer, model and engine capacity.

14. The APP commences recording data when the user selects a journey to begin. The recorded data is saved onto the device memory with identifiers including the time and date of each capture. The recorded data is then automatically sent using a wireless mobile connection to the Platform. The APP provides a feature for the journey information to be entered manually when coverage on the mobile network is not available.

15. The user provides information to set the user account at the time of registration. This information includes the following:

- name of driver
- car registration
- car make and model
- engine size
- email address for user notifications and APP configuration
- login and password details.

16. The information is stored securely on the Platform.

17. The APP is available to receive journey information at any time after it is activated and when it is operating.

18. The Platform processes the transmissions and generates a log for the specific device which represents the individual driver. Part of the processing includes collation of various transmissions to create individual trips referred to in your application as a Trip Log.

19. A Trip Log is classified prior to the commencement of the journey. The Trip Log appears in the APP for the driver to review each trip and confirm classification of the journey. At the end of Trip Log, the user receives an in-device notification prompt to reconfirm the classification and record the purpose of the journey.

20. The APP allows the user to view, review and report on all data. The journey identifies the user's classification of the trip as either business or personal using the available selection menu. There is also a graphical display of the current business use percentage based on the Trip Logs that have already been classified.

21. The EzyCarLog Solution compiles information from the Trip Logs to produce a log book report (Journey Report) providing the following information:

- start date of the log book period
- car registration
- date each trip occurs
- start and end time of each trip
- total kilometres travelled during the trip as calculated using the start and end odometer readings
- start and end odometer reading
- trip details
- classification of trip
- purpose of the journey.

22. The report is produced in English and can be exported in a variety of formats such as .csv and .pdf.

23. The user is prompted to enter the odometer reading displayed on the car's odometer at the commencement of the journey. The Platform then determines any variance between the closing odometer reading determined by the GPS as compared to the car's odometer reading entered by the user.

24. The user is notified and a correction sought if the variance between the total distance measured by the GPS and the car's odometer reading is greater than a pre-determined variance.

25. The APP calculates and displays 'business use percentage' and 'personal use percentage' with the percentage calculated using the following formula:

***Business Percentage***

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

***Personal Percentage***

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

26. The EzyCarLog Solution calculates both the number of business kilometres and the total number of kilometres travelled by the car during the holding period where it is used continuously for the whole of the period of the year for which the car is held thereby calculating the business use percentage for the holding period.

27. Where EzyCarLog Solution is not continuously used for the whole of the period of the year for which the car is held, the system will not record the number of business kilometres travelled during the holding period nor the total number of kilometres travelled during the holding period. The user will need to separately determine the business use percentage using the estimated number of business kilometres and the odometer readings for the beginning and end of the holding period.

## **Ruling**

28. The Journey Report created by the EzyCarLog Solution is a document that satisfies the definition of 'log book records' in subsection 136(1) provided:

- the report is for an applicable log book period
- the purpose of the journey is sufficiently descriptive to enable the journey to be classified as a business journey, and
- the purpose of the journey classified as being a business journey is entered within a week of the journey occurring.

29. The report created by the EzyCarLog Solution is a document that satisfies the definition of 'odometer records' in subsection 136(1).

30. An employer in a log book year of tax who uses the EzyCarLog Solution continuously for:

- the duration of the 'applicable log book period' as defined in subsection 162H(1), and
- the whole of the 'holding period' as defined in section 162C

satisfies the requirements in section 10A and is entitled to claim a reduction of operating costs.

31. An employer in a log book year of tax who uses the EzyCarLog Solution continuously for:

- the duration of the 'applicable log book period' as defined in subsection 162H(1), and
- does not use the EzyCarLog Solution continuously for the whole of the 'holding period' as defined in section 162C

satisfies the requirements in section 10A and is entitled to claim a reduction of operating costs provided the employer:

- separately records the odometer readings for the beginning and end of the period of the year for which the car was held
- estimates the number of business kilometres travelled by the car during the period of the year for which the car was held using all relevant matters including the Journey Report, odometer records and any variations in the pattern of use of the car, and
- specifies the business use percentage for the period of the year for which the car was held using the estimated number of business kilometres and the odometer readings for the beginning and end of the holding period.

32. An employer in a non-log book year of tax that uses the EzyCarLog Solution continuously for the whole of the holding period (as defined in section 162C), satisfies the requirements in section 10B and is entitled to claim a reduction of operating costs.

33. An employer in a non-log book year of tax who has used the EzyCarLog Solution in one of the previous four FBT years continuously for an 'applicable log book period but:

- does not use the system in that year of tax, or
- does not use it for the whole of the period that the car is held

satisfies the requirements in section 10B and will be entitled to claim a reduction of operating costs of the car on account of business journeys undertaken in the car during the holding period provided the employer:

- separately records odometer readings for the beginning and end of the period of the year for which the car was held
- estimates the number of business kilometres travelled by the car during the period of the year for which the car was held using all relevant matters including the Journey Report, odometer records and any variations in the pattern of use of the car, and
- specifies the business use percentage for the period of the year for which the car is held using the estimated number of business kilometres and the odometer readings for the beginning and end of the holding period.

---

**Commissioner of Taxation**20 September 2017

---



## Appendix 1 – Explanation

**❶** *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.*

### What is the operating cost method under section 10?

34. 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).

35. Where the election is made, the taxable value of the car fringe benefit using the operating cost method is calculated according to the following formula in subsection 10(2) of the FBTAA:

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

where:

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

**BP** is:

- (a) if, under section 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) ...
- (c) 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.

36. Therefore, employers intending to claim a reduction in the operating cost of a car, on account of business journeys undertaken during the holding period, must meet the requirements of either 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), as applicable.

### Does the EzyCarLog Solution satisfy the requirements of section 10A?

37. Section 10A states:

#### **10A NO REDUCTION OF OPERATING COST IN A LOG BOOK YEAR OF TAX UNLESS LOG BOOK RECORDS AND ODOMETER RECORDS ARE MAINTAINED**

Where one or more car fringe benefits in relation to an employer in relation to a year of tax relate to a car while it was held by a particular person (in this section called the **provider**) during a particular period (in this section called the **holding period**) in a year

of tax that is a log book year of tax of the employer in relation to the car, the employer is entitled to a reduction in the operating cost of the car on account of business journeys undertaken in the car during the holding period if, and only if:

- (a) log book records and odometer records are maintained by or on behalf of the provider for an applicable log book period in relation to the car; and
- (b) odometer records are maintained by or on behalf of the provider for the holding period; and
- (c) if the provider is not the employer – those log book records and odometer records are given to the employer before the declaration date; and
- (d) the employer specifies the employer's estimate of the number of business kilometres travelled by the car during the holding period; and
- (e) the employer specifies a percentage as the business use percentage applicable to the car in relation to the provider for the holding period.

38. Section 162G of the FBTAA sets out various circumstances under which a particular year can be treated as a 'log book year of tax'. It is accepted that all employers using the EzyCarLog Solution will elect under paragraph 162G(1)(b) of the FBTAA to treat a current year of tax as a 'log book year of tax'.

**Does the Journey Report created by the EzyCarLog Solution satisfy the requirements of the definition of 'log book records' under subsection 136(1)?**

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

**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;

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

40. Paragraph (c) of the definition of 'log book records' requires the date on which the journey began and ended to be entered in the relevant records. The EzyCarLog Solution records the start and end dates and times of each journey and this information is detailed in the Journey Report. Therefore, this requirement is satisfied.

41. 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 be entered into the relevant records.

42. The term 'odometer' is not defined in either the FBTA or the *Income Tax Assessment Act 1997* but the *Macquarie Dictionary*, online edition, defines that term as being, 'an instrument for measuring distance passed over, as by a motor vehicle'.

43. The term 'odometer records', as defined in subsection 136(1) of the FBTA makes reference to 'odometer reading of the car'. Whilst odometer readings must pertain to the car, it does not necessarily mean that they must also be attributable either wholly or in part to the rotation of the car's wheels, thereby mechanically moving the standard odometer fitted in the car by the manufacturer.

44. Provided the GPS device used to determine the car's odometer readings is of sufficient integrity, it is accepted that a system other than the car's own odometer may meet the FBTA legislative requirements.

45. The user is prompted to enter the odometer reading displayed on the car's odometer onto the APP upon commencement of the relevant journey. The Platform will then determine whether there is any variance between the closing odometer reading determined by the GPS as compared to the car's odometer reading entered by the user. The user will be notified of any variance and a correction sought. The closing odometer reading is determined by the GPS. It is accepted that the opening and closing odometer readings calculated in this way is of sufficient integrity to be odometer readings of the car.

46. It is accepted that the opening and closing odometer readings for each car journey detailed in the Journey Report satisfies the requirements of paragraph (d) of the definition of 'log book records'.

47. The number of kilometres travelled by the car in the course of each journey is also detailed in the Journey Report thus satisfying the requirement in paragraph (e) of the definition of 'log book records'.

48. Paragraph (f) of the definition of 'log book records' requires the purpose or purposes of the business journeys to be recorded. Further, the definition of log book records requires that entries be made at or as soon as reasonably practicable after the end of the journey.

49. The business or private use journey classification details are input by the driver at the commencement and reconfirmed at the conclusion of the journey using the EzyCarLog Solution APP. At the end of each journey the driver will receive an in-device notification prompt to reconfirm the classification and record the purpose of the journey. The APP allows the user to view, review and report on all data.

50. It is expected that the reason recorded for each business journey is sufficiently descriptive so as to enable the journey to be classified as a business journey and that the relevant classification and description will be made at the end of each journey or as soon as reasonably practicable thereafter. Provided this occurs within a week of the journey occurring, it will be accepted that the entry was made as soon as practicable after the end of the journey.

51. It is accepted that the EzyCarLog Solution Journey Report satisfies the requirements in paragraph (f) of the definition in 136(1).

52. It is considered that the EzyCarLog Solution and Journey Report is 'a daily log book or similar document' that satisfies the requirement of being made in the English language at or as soon as reasonably practicable after the end of the journey.

53. The Journey Report generated by the EzyCarLog Solution satisfies the definition of 'log book records' in subsection 136(1) provided the report is completed for an 'applicable log book period'.

### **Are the records maintained for an 'applicable log book period'?**

54. The definition of 'log book records' in subsection 136(1) also requires that each business journey recorded in the log book records be in relation to a 'period'. Paragraph 10A(a) refers to 'log book records' being maintained for an 'applicable log book period'.

55. The term 'applicable log book period' is defined in subsection 162H(1) of the FBTAA as follows:

#### **162H APPLICABLE LOG BOOK PERIOD**

**(1) [Car Fringe Benefit]** 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 car while it was held by a particular person during a particular period (in this subsection called the '**holding period**') starting or ending in a year of tax, a reference to the applicable log book period is a reference to:

- (a) if the holding period is a period of less than 12 weeks – the holding period; or
- (b) in any other case – a continuous period of not less than 12 weeks that begins and ends during the holding period.

56. The Journey Reports that are generated by the EzyCarLog Solution must be for a minimum 12 week period. The log book beginning and end date is displayed on the printed log book. It is accepted that in the absence of evidence to the contrary in a particular case, all employers using the EzyCarLog Solution in relation to any car fringe benefits that they provide will maintain the necessary records for the duration of the 'applicable log book period' (as that latter term is defined in subsection 162H(1)).

**Do the Reports created by the EzyCarLog Solution satisfy the requirements of the definition of 'odometer records' under subsection 136(1)?**

57. The term 'odometer records' is defined in subsection 136(1) of the FBTA as:

**odometer records**, in relation to a car, in relation to a period, means a document in which particulars of:

- (a) the odometer reading of the car at the commencement of the period; and
- (b) the odometer reading of the car at the end of the period; and
- (c) if paragraph 162K(2)(b) or 162L(2)(b) applies with effect from a particular date — the odometer readings of both the replacement car and of the original car referred to in
- (d) that paragraph, as at that date;

are entered in the English language, at, or as soon as reasonably practicable after, the respective times to which those odometer readings relate.

58. The definition of 'odometer records' in subsection 136(1) of the FBTA, requires that odometer readings be recorded both at the 'commencement' and at the 'end' of the periods.

59. The EzyCarLog Solution provides a report which details the odometer reading for the car at the start of the first recorded journey and also the odometer reading for the car at the end of the last recorded journey that were undertaken during each report period.

60. As stated at paragraph 56 of this Ruling, it is accepted that in the absence of evidence to the contrary in a particular case, all employers using the EzyCarLog Solution journey will maintain the necessary records for the 'applicable log book period'.

61. A report can be generated at the end of the log book period showing the odometer recordings made and the type of journey undertaken. It is accepted that a EzyCarLog Solution report meets the necessary requirement of having entries made in English at or as soon as reasonably practicable after the end of the journey.

62. It is considered that the EzyCarLog Solution satisfies all the relevant requirements of the definition of 'odometer records' as defined in subsection 136(1) of the FBTA.

**Does the EzyCarLog Solution report provide odometer records for the holding period?**

63. Paragraph 10A(b) requires odometer records to be maintained for the holding period as defined in section 162C.

64. The EzyCarLog Solution report will provide odometer records for the period of the year in which the system is used. Therefore, where the system is used continuously for the whole of the period of the year for which the car is held, the report will provide the odometer records for the holding period.

65. However, if the system is not continuously used for the whole of the period of the year for which the car is held, the reports will not provide both the start and end odometer readings for the holding period. For example, if the car is held for the full year but the EzyCarLog Solution is only used for the first 12 weeks of the year, the reports will only provide the odometer reading as at the start of the holding period. The reports will not provide the odometer reading for the end of the year (the end of the holding period). Therefore, in such a situation, the odometer reading at the end of the period will need to be separately recorded for the reports to provide odometer records for the holding period.

**Does the EzyCarLog Solution enable the employer to estimate the number of business kilometres travelled during the holding period in a log book year of tax?**

66. Paragraph 10A(d) requires the employer to estimate the number of business kilometres travelled by the car during the holding period. This estimate is used to calculate the business use percentage required by paragraph 10A(e).

67. The basis used to estimate the number of business kilometres is set out in section 162F which states:

For the purposes of this Act, the number of kilometres that represents a reasonable estimate of the number of business kilometres applicable to a car held by a person during a period in a year of tax shall be determined having regard to all relevant matters including, but without limiting the generality of the foregoing:

- (a) any log book records, odometer records or other records maintained by or on behalf of the person; and
- (b) any variations in the pattern of use of the car.

68. The EzyCarLog Solution uses the calculations of the kilometres travelled on the journeys classified as being a business journey during the period for which the system is used to calculate the total number of business kilometres travelled during the period. Therefore, where the system is used continuously for the whole of the period of the year for which the car is held, the report will enable the employer to estimate the number of business kilometres travelled during the holding period.

69. However, where the EzyCarLog Solution is not continuously used for the whole of the period of the year for which the car is held, the number of business kilometres recorded in the report will only be the business kilometres travelled during the period in which the system is used. In such a situation, the employer in estimating the number of business kilometres travelled during the holding period, will need to take all relevant matters into account including the Journey Report, odometer records and any variations in the pattern of use of the car.

**Does the EzyCarLog Solution enable the employer to specify the business use percentage for the holding period in a log book year of tax?**

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

[Number of business kilometres travelled by the car during the holding period / Total number of kilometres travelled by the car during the holding period] \* 100%

71. Where the EzyCarLog Solution is used continuously for the whole of the period of the year for which the car is held, it will calculate both the number of business kilometres and the total number of kilometres travelled by the car during the holding period. Using these calculations, the report provides the business use percentage for the holding period.

72. However, where the EzyCarLog Solution is not continuously used for the whole of the period of the year for which the car is held, the system will not record the number of business kilometres travelled during the holding period, nor the total number of kilometres travelled during the holding period. Therefore, in such a situation it will be necessary for the employer to separately determine the business use percentage using the estimated number of business kilometres and the odometer readings for the beginning and end of the holding period.

**Conclusion on whether the EzyCarLog Solution satisfies the requirements of section 10A**

73. Where the EzyCarLog Solution is used continuously for the whole of the period of the year for which the car is held, the reports generated by the EzyCarLog Solution for that period will meet all the necessary requirements of section 10A.

74. Where the EzyCarLog Solution is not used continuously for the whole of the period of the year for which the car is held, the reports will not by itself satisfy the requirements of section 10A that are in respect of the holding period. To satisfy these requirements, an employer will need to:

- separately record the odometer readings for the beginning and end of the period of the year for which the car was held
- estimate the number of business kilometres travelled by the car during the period of the year for which the car was held using all relevant matters including the Journey Report, odometer records and any variations in the pattern of use of the car, and
- specify the business use percentage for the period of the year for which the car was held using the estimated number of business kilometres and the odometer readings for the beginning and end of the holding period.

**Does the EzyCarLog Solution satisfy the requirements of section 10B?**

75. Section 10B states:

**NO REDUCTION OF OPERATING COST IN A NON-LOG BOOK YEAR OF TAX UNLESS LOG BOOK RECORDS AND ODOMETER RECORDS ARE MAINTAINED IN LOG BOOK YEAR OF TAX**

**10B** Where one or more car fringe benefits in relation to an employer in relation to a year of tax relate to a car while it was held by a particular person (in this section called the **provider**) during a particular period (in this section called the **holding period**) in a year of tax that is not a log book year of tax of the employer in relation to the car, the employer is entitled to a reduction in the operating cost of the car on account of business journeys undertaken during the holding period in the car if, and only if:

- (a) odometer records are maintained by or on behalf of the provider in relation to the car for the holding period and, if the provider is not the employer, are given to the employer before the declaration date; and
- (b) the employer specifies the employer's estimate of the number of business kilometres travelled by the car in the holding period; and



- (c) the employer specifies the business use percentage applicable to the car in relation to the provider for the holding person.

76. Where the EzyCarLog Solution is used continuously for the whole of the holding period, the reports will meet all the necessary requirements of section 10B in a non-log book year of tax as:

- it will provide odometer records for the beginning and end of that holding period
- it will determine the number of kilometres travelled on the journeys classified as business journeys during the period for which the system is continuously used, and
- it calculates the business use percentage for the selected period using the estimated number of business kilometres and the odometer readings for the beginning and end of the holding period.

77. An employer in a non-log book year of tax who does not use the EzyCarLog Solution in that year of tax or does not use it for the whole of the period that the car is held but has used the system in one of the previous four FBT years continuously for an 'applicable log book period', will not by itself satisfy the requirements of section 10B. The employer will also need to:

- separately maintain odometer readings for the beginning and end of the period of the year for which the car was held
- estimate the number of business kilometres travelled by the car during the period of the year for which the car was held using all relevant matters including the Journey Report, odometer records and any variations in the pattern of use of the car, and

specify the business use percentage for the period of the year for which the car is held using the estimated number of business kilometres and the odometer readings for the beginning and end of the holding period.

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

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

	<b>Paragraph</b>
<b>Summary – what this ruling is about</b>	<b>1</b>
Relevant provisions	2
Class of entities	3
Qualifications	4
<b>Date of effect</b>	<b>7</b>
<b>Scheme</b>	<b>8</b>
<b>Ruling</b>	<b>28</b>
<b>Appendix 1 – Explanation</b>	<b>34</b>
What is the operating cost method under section 10?	34
Does the EzyCarLog Solution satisfy the requirements of section 10A?	37
Does the Journey Report created by the EzyCarLog Solution satisfy the requirements of the definition of 'log book records' under subsection 136(1)?	39
Are the records maintained for an 'applicable log book period'?	54
Do the Reports created by the EzyCarLog Solution satisfy the requirements of the definition of 'odometer records' under subsection 136(1)?	57
Does the EzyCarLog Solution report provide odometer records for the holding period?	63
Does the EzyCarLog Solution enable the employer to estimate the number of business kilometres travelled during the holding period in a log book year of tax?	66
Does the EzyCarLog Solution enable the employer to specify the business use percentage for the holding period in a log book year of tax?	70
Conclusion on whether the EzyCarLog Solution satisfies the requirements of section 10A	73
Does the EzyCarLog Solution satisfy the requirements of section 10B?	75
<b>Appendix 2 – Detailed contents list</b>	<b>78</b>

## References

---

*Previous draft:*

Not previously issued as a draft

*Related Rulings/Determinations:*

TR 2006/10

*Legislative references:*

- FBTAA 1986
- FBTAA 1986 10
- FBTAA 1986 10A
- FBTAA 1986 10A(a)
- FBTAA 1986 10A(b)
- FBTAA 1986 10A(d)
- FBTAA 1986 10A(e)
- FBTAA 1986 10B
- FBTAA 1986 10(2)
- FBTAA 1986 136(1)

- FBTAA 1986 162C
- FBTAA 1986 162F
- FBTAA 1986 162G
- FBTAA 1986 162G(1)(b)
- FBTAA 1986 162H
- FBTAA 1986 162H(1)
- FBTAA 1986 162K(2)(b)
- FBTAA 1986 162L(2)(b)
- ITAA 1997
- TAA 1953

*Other references:*

- The Macquarie Dictionary,  
online edition, accessed  
10 August 2017

---

ATO references

NO: 1-BW0YQR7

ISSN: 2205-5517

ATO law topic: Fringe benefits tax ~~ Car benefits ~~ Taxable value ~~  
Car operating cost method

---

**© AUSTRALIAN TAXATION OFFICE FOR THE  
COMMONWEALTH OF AUSTRALIA**

You are free to copy, adapt, modify, transmit and distribute this material as you wish (but not in any way that suggests the ATO or the Commonwealth endorses you or any of your services or products).