


CR 2023/14 - Logbook Me Pty Ltd - LogbookMe In-Car Logbook Solution for calculating car parking benefits

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Class Ruling

Logbook Me Pty Ltd – LogbookMe In-Car Logbook Solution for calculating car parking benefits

📌 Relying on this Ruling

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

If this Ruling applies to you, and you correctly rely on it, we will apply the law to you in the way set out in this Ruling. That is, you will not pay any more tax or penalties or interest in respect of the matters covered by this Ruling.

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What this Ruling is about

1. This Ruling sets out the fringe benefits tax (FBT) consequences for employers who use the LogbookMe In-Car Logbook Solution (LogbookMe Solution) to calculate the total number of car parking benefits provided during a fringe benefits tax year.
2. Details of this scheme are set out in paragraphs 10 to 30 of this Ruling.
3. All legislative references in this Ruling are to the *Fringe Benefits Tax Assessment Act 1986*, unless otherwise indicated.

Note: By issuing this Ruling, the ATO is not endorsing this product. Potential users must form their own view about the product.

Who this Ruling applies to

4. This Ruling applies to employers who use the LogbookMe In-Car Logbook Solution to calculate the total number of car parking benefits provided during a fringe benefits tax year.

When this Ruling applies

5. This Ruling applies from 1 April 2019 to 31 March 2028.

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Ruling

6. The LogbookMe *Parking Register Details* report produced by the LogbookMe Solution is a document that records the particular days on which a car parking benefit, as defined in subsection 39A(1), arises as a result of the car being parked at a specified location.

7. Where the LogbookMe Solution is fitted to all cars for which a car parking benefit may arise during an FBT year, the information provided in the LogbookMe *Parking Register Details* report will be sufficient to establish the actual number of car parking benefits provided during the year when using Subdivision B of Division 10A to calculate the taxable value of the car parking benefits provided during the year.

8. Where the LogbookMe Solution is fitted to only some of the cars for which a car parking benefit may arise during an FBT year, the LogbookMe *Parking Register Details* report may be used to determine the number of car parking benefits that arose for the cars to which the LogbookMe Solution is fitted, provided the employer makes an election under:

- subsection 39FA(1) to use the statutory formula method, or
- subsection 39GA(1) to use the 12 week register method

to separately determine the number of car parking benefits that arose for the cars to which the LogbookMe Solution is not fitted.

9. The LogbookMe *Parking Register Details* report is a valid register as defined in section 39GG that can be used to calculate the total number of benefits provided during a 12-week period for the purposes of using the 12 week register method in Subdivision D of Division 10A to calculate the taxable value of the car parking benefits provided to the relevant employees.

Scheme

10. The following description of the scheme is based on information provided by the applicant. If the scheme is not carried out as described, this Ruling cannot be relied upon.

11. Logbook Me Pty Ltd is part of the GDML Group. The GDML Group includes:

- CarParking.info Pty. Ltd. which is a car parking information site and App, and
- FBTme Pty. Ltd. which provides a database of car parking rates.

12. The LogbookMe Solution is a cloud-based online platform which can be used to log the journeys of a car and the times for which the car has been parked at a specified location.

13. The LogbookMe Solution consists of:

- an In-Car Device that is installed in the car to capture location information at specific times
- a cloud-based remote data management platform (Platform) that securely receives, processes, reports and stores the location information, and
- a web browser-based secure portal (Portal) that allows the employer to view events, change the default settings and generate a report.

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In-Car Device

14. The In-Car Device is a Global Positioning System (GPS) device that is able to monitor the position of the car at a particular point in time so as to determine the car's journeys and the locations at which the car is parked. It can also determine the period of time for which the car is parked at each location by using the end and start times of the journeys.

15. The In-Car Device contains a GPS module, movement sensors, solid state memory, mobile communication modules, sim card, battery and power socket. The In-Car Device is powered by a connection to the car's 12-volt cigarette lighter attachment, in-built USB port or On-Board Diagnostics port.

16. Upon receipt of the In-Car Device and it being placed in the relevant car, the user will be prompted to enter the following information prior to commencing the first trip for which the In-Car device is used:

- login and password details
- opening odometer reading from the vehicle's built-in odometer, and
- time zone.

17. The In-Car Device records the car's current location, time and movement locations. It commences recording data when it senses movement in the car. 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. Should coverage on the mobile network not be available, the In-Car Device will automatically store the recorded data and periodically resend it until it is successful.

18. To maintain the integrity of the data provided by the In-Car Device, the device has triggers to report if it is unplugged or tampered with. In addition, LogbookMe will periodically check the device to ensure it is active and accurately recording the car's movements.

Platform

19. At the time the In-Car Device is ordered, the employer or user provides information that is used to set up the user account. This information includes the following:

- name of driver
- car registration
- car make and model
- engine size
- carrying capacity of the car
- email address for user notifications and App configuration
- login and password details
- the name of the employer, and
- location(s) of the premises at which the car will be parked for which a report is required. These are the premises that are located within a one kilometre radius of a commercial parking station for which a car parking benefit will be provided when the conditions contained in subsection 39A(1) are met.

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20. The information input into the Platform to set up the user account can be reviewed and revised by the employer at any time using the Portal.

21. The Platform is activated for use when the In-Car Device is dispatched to the user and, from that point, is available to receive journey information at any time while the In-Car Device is operating.

22. The Platform receives all transmissions continuously when the In-Car Device is operating and verifies data integrity and receipt. The Platform then 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 events that show the times at which the car is parked at specified location(s).

The Portal

23. The Portal allows the employer to review all events for each car, change the default settings and generate a report.

24. For the purpose of producing reports, the LogbookMe Solution has default settings that assume the:

- specified premises are located within one kilometre of a commercial parking station at which the lowest fee charged in the ordinary course of business to members of the public for all-day parking on the first business day of the FBT year is more than the car parking threshold
- car is the employee's car, or a car benefit relating to the car was provided in respect of the employee's employment
- car parking on the specified premises is provided in respect of the employment of the employee
- car is parked at or near the employee's primary place of employment on that day
- car is used by the employee to travel between home and work (or work and home) at least once on that day, and
- provision of the parking facilities is not excluded from the operation of section 39A by section 12 of the *Fringe Benefits Tax Assessment Regulations 2018* which applies to car parking provided for a car used by a disabled employee who is legally entitled to use a disabled person's car parking space and has a valid disabled person's car parking permit displayed on the car.

25. If any of the conditions outlined in paragraph 24 of this Ruling are not met on a particular day, the employer is able to change the relevant default setting for that day. Where this occurs, a manual notation is shown on the LogbookMe *Parking Register Details* report.

LogbookMe parking reports

26. The LogbookMe Solution produces 2 parking reports (LogbookMe parking reports):

- The LogbookMe *Parking Register Details* report, and
- The LogbookMe *Parking Register* report.

27. Both reports are produced in English and are exportable to a csv or pdf format.

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28. The reports are produced for a minimum 12-week period. The user can choose a longer period for the report if required.

The LogbookMe Parking Register Details report

29. The LogbookMe *Parking Register Details* report provides the following details for each occasion the car is parked at a specified location:

- 'In Time' which is the time and date at which the car entered the specified premises
- 'Out Time' which is the time at which the car exited the specified premises
- 'Hours Parked in Zone' which is the total time the car was parked at the location between 7:00 am and 7:00 pm, and
- 'Location' which is the address of the specified location.

The LogbookMe Parking Register report

30. The LogbookMe *Parking Register* report lists the total number of days on which each of the cars fitted with the LogbookMe Solution were parked at the specified location for at least 4 hours between 7:00 am and 7:00 pm.

Commissioner of Taxation

22 March 2023

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Appendix – Explanation

❶ *This Explanation 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.*

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When will a car parking benefit arise?

31. A car parking benefit will arise on a particular day when the conditions in subsection 39A(1) are met. Subsection 39A(1) states:

If the following conditions are satisfied in relation to a daylight period, or a combination of daylight periods, on a particular day:

- (a) during the period or periods, a car is parked on one or more premises of a person (the **provider**), where:
 - (i) the premises, or each of the premises, on which the car is parked are business premises, or associated premises, of the provider; and
 - (ii) a commercial parking station is located within a 1 km radius of the premises, or each of the premises, on which the car is parked; and
 - (iii) the lowest fee charged by the operator of any such commercial parking station in the ordinary course of business to members of the public for all-day parking on the first business day of the FBT year is more than the car parking threshold;
- (b) the total duration of the period or periods exceeds 4 hours;
- (c) any of the following applies:
 - (i) a car benefit relating to the car is provided on that day to an employee or an associate of an employee in respect of the employment of the employee;
 - (ii) the car is owned by, or leased to, an employee or an associate of an employee at any time during the period or periods;
 - (iii) the car is made available to an employee or an associate of an employee at any time during the period or periods by another person, where:
 - (A) the other person is neither the employer of the employee nor an associate of the employer of the employee; and
 - (B) the other person did not make the car available under an arrangement to which the employer of the employee, or an associate of the employer of the employee, is a party;

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- (d) the provision of parking facilities for the car during the period or periods is in respect of the employment of the employee;
- (e) on that day, the employee has a primary place of employment;
- (f) during the period or periods, the car is parked at, or in the vicinity of, that primary place of employment;
- (g) on that day, the car is used in connection with travel by the employee between:
 - (i) the place of residence of the employee; and
 - (ii) that primary place of employment;
- (h) the provision of parking facilities for the car during the period or periods is not taken, under the regulations, to be excluded from this section;
- (i) the day is on or after 1 July 1993;

the provision of parking facilities for the car during the period or periods is taken to constitute a benefit provided by the provider to the employee or the associate of the employee in respect of the employment of the employee.

32. Taxation Ruling TR 2021/2 *Fringe benefits tax: car parking benefits* sets out when the provision of car parking is a car parking benefit for the purposes of the FBTAA.

33. The LogbookMe Solution records the dates and times at which the car enters and leaves a specified location. Where the car is parked at the location for at least 4 hours between 7:00 am and 7:00 pm, the LogbookMe Solution will record the day as a day on which the requirements of subsection 39A(1) are met, unless the default settings have been changed for that day.

Calculating the taxable value of car parking benefits

34. In broad terms, the calculation of the taxable value of the car parking benefits provided during a year involves the following 3 steps:

- Step 1 – calculate the total number of car parking benefits provided during the year
- Step 2 – determine the value of each car parking benefit
- Step 3 – multiply the total number of car parking benefits (as calculated in Step 1) by the value of each benefit (as determined in Step 2).

35. The LogbookMe Solution is only designed to assist employers with Step 1 as outlined in paragraph 34 of this Ruling. To calculate the taxable value of these benefits employers will need to separately determine the value of each benefit using the:

- lowest all-day fee or the commercial parking method as set out in section 39C
- market value method as set out in section 39D, or
- average lowest fee as set out in section 39DA.

Calculating the total number of car parking benefits

36. The number of benefits may be calculated by:

- keeping actual records of all car parking benefits provided, or

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- using the statutory formula method, or
- using the 12 week register method.

37. An employer may elect to use either the statutory formula or the 12 week register methods to calculate the number of benefits provided. An election may cover some or all of the benefits provided. If no election is made, the employer must use the actual benefits method by keeping records of the actual usage of car parking spaces.

Actual benefits method

38. An employer may choose to base the number of taxable car parking benefits on a record of the actual number of benefits provided in an FBT year.

39. The general record-keeping requirement set out in subsection 132(1) require employers to keep appropriate records which form the basis upon which the FBT liability is determined. This general record-keeping requirement applies equally to records which explain the calculation of car parking benefits. Subsection 132(3) requires records must be maintained in English or in a way which is readily accessible and convertible into English. Records relating to the provision of fringe benefits should be retained by employers for 5 years.

40. In relation to the actual benefits method, records kept must be sufficient to determine the actual number and value of car parking benefits provided during an FBT year.

41. The LogbookMe Solution is a system that records the dates and times at which a car is parked at a particular location on an ongoing basis. This information is used to prepare the LogbookMe parking reports. It is accepted that these reports are sufficient to establish the actual number of car parking benefits provided in relation to the cars to which the system is fitted.

42. Therefore, where the LogbookMe Solution is fitted to all cars for which a car parking benefit may arise during an FBT year, the LogbookMe Parking Register Details report will be sufficient to establish the total number of car parking benefits provided during the year.

43. Where the LogbookMe Solution is fitted to only some of the cars for which a car parking benefit may arise during an FBT year, the LogbookMe parking reports will not provide details of the car parking benefits for the cars to which the LogbookMe Solution was not fitted. Therefore, the LogbookMe parking reports will not be sufficient to establish the total number of car parking benefits provided during the year where the LogbookMe Solution is fitted to only some of the cars and no additional records are kept.

44. However, as stipulated in Division 10A, an employer is not restricted to only using one method to calculate the total actual number of benefits. An employer is able to elect to use the statutory formula method in Subdivision C of Part III, or the 12 week register method in Subdivision D of Part III, to determine the number of car parking benefits provided to particular employees, or employees of a particular class.

45. Therefore, where the LogbookMe Solution is fitted to only some of the cars for which a car parking benefit may arise during an FBT year, the LogbookMe parking reports may be used to determine the number of car parking benefits that arose for the cars to which the LogbookMe Solution is fitted, provided the employer makes an election under:

- subsection 39FA(1) to use the statutory formula method, or

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- subsection 39GA(1) to use the 12 week register method,

to determine the number of car parking benefits that arose for the cars to which the LogbookMe Solution is not fitted.

12 week register method

46. An employer may make an election under subsection 39GA(1) to use a register to calculate the number of car parking benefits provided to some or all of the employees.

47. In specifying the employees to which the election relates, subsection 39GA(2) states:

The employer must specify that the election covers:

- (a) all the employees; or
- (b) all employees of a particular class; or
- (c) particular employees.

48. Under Subdivision D of Division 10A, an employer may elect to keep a register, for a continuous 12-week period, to determine the total value of car parking benefits for an FBT year. The employer may keep separate registers for different classes of employees.

49. The total taxable value of the employer's car parking benefits may be determined by the use of the following formula:

$$\text{Total value of car parking benefits (register)} \times 52 \div 12 \times \text{Number of days in car parking availability periods} \div 366$$

Where:

- **Total value of car parking benefits (register)** is the amount that would be calculated by using either the commercial parking station, market value or average cost method, assuming that the register had been kept in that FBT year and the value of benefits were calculated in accordance with the information in the register.
- **Number of days in car parking availability periods** is the number of days in the period between and including the first and last days in the FBT year in which a car parking benefit is provided for an employee covered by the election.

50. Section 39GE provides that in keeping the register, the 12-week period must be continuous and representative, otherwise the register is invalid.

51. If the 12-week period falls within one FBT year, it is valid for that year and the following 4 FBT years. If the 12-week period spans across 2 FBT years, the register is only valid for the second and subsequent 4 years.

52. The register will cease to be valid at the end of the FBT year if the number of benefits provided increases by more than 10% on any day in that FBT year.

53. If a register becomes invalid, the number of benefits will be based on whatever records are available and the taxable value is calculated using the actual benefits method.

54. If the number of car parking benefits increases by more than 10%, the employer will have to keep a new register in the FBT year following the year of the increase if the employer wants to use the method in Subdivision D of Division 10A for that following year.

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55. The matters required to be included in the register are set out in section 39GG. Section 39GG states:

Matters to be included in register

- (1) The register must include details of the following:
 - (a) the date on which each car covered by subsection (4) was parked;
 - (b) whether the car was parked for a total that exceeds 4 hours;
 - (c) whether the car travelled between the place of residence of an employee covered by the election and his or her primary place of employment on that day;
 - (d) the place where the car was parked.
- (2) The person responsible for making entries in the register must make the entry as soon as practicable after he or she knows the details required by subsection (1).
- (3) If subsection (1) or (2) is not satisfied, the register is not valid.
- (4) A car is covered by this subsection if:
 - (a) a car benefit relating to the car is provided on a day during the 12 week period to an employee covered by the election in respect of the employee's employment; or
 - (b) the car is owned by, or leased to, an employee covered by the election at any time during the 12 week period; or
 - (c) the car is made available by another person to an employee covered by the election at any time during the 12 week period where:
 - (i) the other person is not the employee's employer; and
 - (ii) the other person did not make the car available under an arrangement to which the employee's employer is a party.

56. In considering these requirements, the LogbookMe *Parking Register Details* report:

- is produced for a minimum 12-week period
- shows the date or dates on which each car covered by the register was parked
- shows whether the car was parked for longer than 4 hours
- the place where the car was parked, and
- the entries are made as soon as a car parking benefit arises.

57. Although the report does not include details of whether the car was used to travel between the place of residence and the place of employment, the employer in using the default settings has accepted that this condition is met.

58. Therefore, it is accepted the LogbookMe *Parking Register Details* report can be used to determine the total number of benefits provided during the 12-week period.

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References

Related Rulings/Determinations:

TR 2021/2

- FBTA 1986 39GA(2)
- FBTA 1986 39GE
- FBTA 1986 39GG
- FBTA 1986 132(1)
- FBTA 1986 132(3)
- FBTA 1986 Pt III Div 10A
- FBTA 1986 Pt III Div 10A Subdiv B
- FBTA 1986 Pt III Div 10A Subdiv C
- FBTA 1986 Pt III Div 10A Subdiv D
- Fringe Benefits Tax Assessment Regulations 2018 12

Legislative references:

- FBTA 1986 39A
- FBTA 1986 39A(1)
- FBTA 1986 39C
- FBTA 1986 39D
- FBTA 1986 39DA
- FBTA 1986 39FA(1)
- FBTA 1986 39GA(1)

ATO references

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