


CR 2023/42 - NatPark FBT Register report - use for calculating car parking benefits

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Status: **legally binding**

Class Ruling

NatPark FBT Register report – use for calculating car parking benefits

❶ 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 NatPark FBT Register report 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 21 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 you if you are an employer who uses the NatPark FBT Register report to calculate the total number of car parking benefits provided during an FBT year.

When this Ruling applies

5. This Ruling applies from 1 April 2023 to 31 March 2027.

Status: **legally binding**

Ruling

6. The NatPark FBT Register report is a document that records the particular days on which the car parking benefit requirement under subsection 39A(1)(b) is met as a result of the car being parked at a specified location.

7. Where the NatPark FBT Register is fitted to particular car park premises where car parking benefits may arise during an FBT year, the information provided in the NatPark FBT Register report will be sufficient for an employer to establish the number of instances where the requirements under paragraph 39A(1)(b) are met. An employer may then use this information to determine where a car parking benefit has arisen by assessing whether all the requirements under subsection 39A(1) have been met.

8. Where a car parking fringe benefit has arisen, the number of car spaces NatPark FBT Register reports as having met the requirement under subsection 39A(1)(b) can then be used by an employer to calculate the taxable value of the car parking fringe benefits under Subdivision B of Division 10A.

9. The NatPark FBT Register 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 fringe benefits, provided the employer makes an election under:

- subsection 39GA(1) to use the 12 week register method, and
- records the requirement under subsection 39GG(1)(c) as to whether the car travelled between the place of residence of an employee covered by the election and their primary place of employment on that day.

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.

NatPark FBT Register

11. To assist employers in maintaining car parking records for the purpose of calculating the taxable value of the car parking fringe benefits, the NatPark FBT Register has been developed, which utilises a licence plate recognition (LPR) reporting system with the components of LPR cameras and a cloud-based management system which includes a custom database and online reporting portal.

12. The LPR cameras will be permanently installed at all entrance(s) and exit(s) of nominated premises where employers provide car parking benefits to employees. These LPR cameras will be equipped with a sim card which will upload data from the cameras to the cloud-based management system and store it remotely.

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13. The LPR cameras will capture data, including:
- the number plate of every vehicle entry to and exit from the premises
 - the date and time of entry to the car park
 - the date and time of exit from the car park, and
 - a photograph of the number plate of every vehicle that enters and exits the car park.
14. There are 2 options for the identification of relevant employee cars for set-up of the Register – the Opt-In and Opt-Out Options.

Opt-In Option

15. The Opt-In Option can be used to collect data on premises where employees are not the only users of the car parking premises.
16. Under the Opt-In Option, each authorised user will have the following information included within their user ID file in the database:
- the car registration number or multiple registration numbers if an employee has access to more than 1 vehicle, and
 - the name of the employer.
17. The database will collate this information and convert it into a car parking report for employers. The database can also isolate specific number plates and provide a report on these individual vehicles or employees. The location of the employer-provided car parking space will be identifiable in respect of each car park, within that premises, assessed under the NatPark FBT Register.

Opt-Out Option

18. The Opt-Out Option is more appropriate where the car parking premises are only available to employees and authorised visitors of the employer.
19. Under the Opt-Out Option, a 'non-authorised user' ID will be assigned to cars entered or exiting the premises. Employers can exclude non-employee vehicles from the car parking benefit count by adding the relevant non-employee number plates into the management system database.

NatPark FBT Register report

20. During a period of no less than 12 weeks or for a full FBT year, the cloud-based management database will:
- log the date and entry and exit time of all vehicles at the nominated car park location
 - report the total number of authorised users parked for a time period of 4 hours or more at the nominated car park location on each day, between the hours of 7:00 am to 7:00 pm
 - report the total number of authorised users parked for a cumulative parking duration of 4 hours or more at the nominated car park location on each day, between the hours of 7:00 am to 7:00 pm, and

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- log vehicles that are parked for no more than 4 hours between 7:00 am and 7:00 pm with an 'N' identifier, and not include these car parking spaces in the total car parking benefit report.

21. The report will be provided to the employer in English on a periodic basis.

Commissioner of Taxation

26 July 2023

Status: **not legally binding**

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?

22. 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.

23. Taxation Ruling TR 2021/2 *Fringe benefits tax: car parking benefits* replaces TR 96/26 *Fringe benefits tax: car parking fringe benefits*, which was withdrawn on 13 November 2019, and sets out when the provision of car parking is a car parking benefit for the purposes of the *Fringe Benefits Tax Assessment Act 1986*.

24. The NatPark FBT Register records the dates and times at which the car enters and exits a specified location. Where the car is parked at the location for a period of more than 4 hours between 7:00 am and 7:00 pm, under either the Opt-Out or Opt-In method, the NatPark FBT Register will record that day as a day on which the requirements of subsection 39A(1)(b) are met.

25. As the NatPark FBT Register captures the cumulative duration of a car parking in a car park, this will also capture situations where a car enters and exits the car park for the periods that are each less than 4 hours, but together add up to over 4 hours that day.

26. The NatPark FBT Register report does not detail if all the conditions listed under subsection 39A(1) have been satisfied for a car parking benefit to arise.

Calculating the taxable value of car parking fringe benefits

27. In broad terms, the calculation of the taxable value of the car parking fringe 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, and
- 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).

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28. The NatPark FBT Register is only designed to assist employers with Step 1 as outlined in paragraph 27 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, or
- 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

29. The number of benefits may be calculated by:

- keeping actual records of all car parking benefits provided, or
- using the statutory formula method, or
- using the 12-week register method.

30. 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

31. 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.

32. The general record-keeping requirements are set out in subsection 132(1) and requires 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 that 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.

33. 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.

34. The NatPark FBT Register is a system that records the dates and times at which the number of cars is parked at a particular location on an ongoing basis. This information is used to prepare the NatPark FBT Register report. It is accepted that this report is sufficient for an employer to establish the actual number of car parking benefits provided at a particular car park premises where the NatPark FBT Register is fitted.

35. 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.

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36. Therefore, the NatPark FBT Register report may be used to determine the number of car parking benefits that arose for a particular car park premise to which the NatPark FBT Register is fitted, where 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.

12 week register method

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

38. 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.

39. 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 fringe benefits for an FBT year. The employer may keep separate registers for different classes of employees.

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

Total value of car parking benefits (register) × 52 ÷ 12 × Number of days in car parking availability periods ÷ 366

Where:

- The **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.
- The **car parking availability period** is 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.

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

42. If the 12-week period falls within 1 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.

43. 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.

44. 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.

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45. If the number of car parking fringe 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.

46. 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.

47. In considering these requirements, the NatPark FBT Register report:

- is produced for a minimum 12-week period
- shows the date(s) 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 fringe benefit arises.

48. 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, provided the employer using the report includes this detail, it is accepted the NatPark FBT Register report can be used to determine the total number of benefits provided during the 12-week period.

Status: **not legally binding**

References

Related Rulings/Determinations:

TR 2021/2; TR 96/26 (withdrawn)

Legislative references:

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

- FBTAA 1986 39GA(2)
- FBTAA 1986 39GE
- FBTAA 1986 39GG
- FBTAA 1986 39GG(1)(c)
- FBTAA 1986 132(1)
- FBTAA 1986 132(3)
- FBTAA 1986 Pt III Div 10A
- FBTAA 1986 Pt III Div 10A Subdiv B
- FBTAA 1986 Pt III Div 10A Subdiv C
- FBTAA 1986 Pt III Div 10A Subdiv D

ATO references

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