


TD 93/D70 - Fringe benefits tax: how is the 1km distance between a commercial car parking station and the premises on which an employee's car is parked to be measured for the purposes of section 39B of the Fringe Benefits Tax Assessment Act 1986 (the FBTAA)?

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This document has been finalised by TD 93/71.

Draft Taxation Determinations (TDs) represent the preliminary, though considered, views of the ATO. Draft TDs may not be relied on; only final TDs are authoritative statements of the ATO.

Draft Taxation Determination

Fringe benefits tax: how is the 1km distance between a commercial car parking station and the premises on which an employee's car is parked to be measured for the purposes of section 39B of the *Fringe Benefits Tax Assessment Act 1986* (the FBTAA)?

1. Section 39B of the FBTAA which was inserted by the *Taxation Laws Amendment (Car Parking) Act 1992* (the amending Act), specifies that:

"...a commercial car parking station is taken to be located within a 1km radius of particular premises if....a car entrance to the commercial parking station is situated less than 1km, **by the shortest practicable route** from a car entrance to those premises."

2. The explanatory memorandum which accompanied the amending Act explains that this route can be travelled by foot, car, train, boat, etc., whichever produces the shortest practicable route.

3. Where the shortest route can be travelled on foot, it is expected that public thoroughfares such as arcades through shopping centres will be utilised in determining the distance. However, illegal or impracticable shortcuts through, for example, private property, would not be considered to be part of a "practicable route".

4. Whilst the basis of measurement of the distance of journeys or portions of journeys is left to be determined by the individual employer, distances travelled can be determined using measuring devices attached to vehicles, by information available from a public transport authority or by measurement on a scale map.

5. Where the distance will be travelled by foot, it is considered that "pacing" the distance would be an acceptable basis of measurement provided it is a reasonable estimate of the distance.

Commissioner of Taxation

18/3/93

FOI INDEX DETAIL: Reference No.

Related Determinations: ;

Related Rulings:

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