


# ***TD 94/D12 - Fringe benefits tax: are meals supplied to crew members on trawlers subject to fringe benefits tax?***

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This document has been finalised by TD 94/47.

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: are meals supplied to crew members on trawlers subject to fringe benefits tax?**

1. Yes. The provision of a meal would constitute a board fringe benefit in terms of section 35 of the *Fringe Benefits Tax Assessment Act 1986* (FBTAA).
2. However, where meals are provided to crew members who are travelling in the course of their employment, the 'otherwise deductible' rule contained in section 37 of the FBTAA applies to reduce the taxable value of the benefit to nil.
3. We accept that crew members are travelling in the course of their employment if the vessel which they are engaged is operating away from its home port.

NOTE: For more detailed explanation of the operation of sections 35 and 37, refer to Taxation Ruling TR 94/1.

#### *Example*

*Fred Mc Rura is a crew member of a trawler in the Northern Prawn Fishery. He and his family live in his home port of Cairns in North Queensland. Fred is required by his employer to travel for various periods of time ranging from a few days to many months.*

*In these circumstances it is accepted that Fred is travelling in the course of his employment and therefore the taxable value of the board fringe benefit is reduced to nil under the 'otherwise deductible' rule.*

**Commissioner of Taxation**  
17/2/94

FOI INDEX DETAIL: Reference No.

Related Rulings: TR 94/1

Subject Ref: meals; fishing industry; fringe benefits tax; otherwise deductible; board fringe benefit

Legislative Ref: FBTAA 35; FBTAA 37

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