



Claiming Car Expenses this financial year?

If you are claiming Car Expenses the following points should be noted:

You can choose one of four methods to work out your car expenses but whichever method you use you must have the necessary evidence for the method you chose:

- Cents per kilometre – based on a set rate with a maximum claim of 5,000 km
- 12% of original value – car must have travelled more than 5,000 business kilometres in the year.
- One-third of actual expenses - car must have travelled more than 5,000 business kilometres in the year.
- Logbook – claim is based on business use percentage of the expenses for the car. **YOU MUST HAVE A LOG BOOK TO USE THIS METHOD. A log book must be kept for a period of 12 continuous weeks and must be no older than 5 years.**

The first three methods need you to keep a record of how you worked out your kilometres.

Car Expenses = Petrol, oil, repairs, registration, insurance, interest, lease payments, depreciation, servicing, tyres, etc.

It does NOT include car parking fees, road tolls, bridge tolls or taxi fares which are claimed as Travel Expenses

Eligible Kilometres

- Travel while on standby duty where duty commences from the taxpayers home
- Travel from home where the taxpayer must transport bulky tools or equipment they require for work
- Undertake itinerant travel (e.g., where the employee's work duties require them to continually travel from one workplace to another before returning home); or
- Travel where significant business or work related duties are undertaken on the way to work or from work
- Travel incorporating the transport of equipment

- Business trip on the way to or from work
- Travel between two unrelated places of employments or business

If any of the above applies to you, then now would be the perfect opportunity to start a new log book ready for the end of the 2011 financial year

Your logbook must show:

- when the logbook period starts and ends, and the odometer readings at these times
- the total number of kilometres the car travelled during the logbook period
- number of kilometres travelled for work based on the journeys recorded for the period
- the business use percentage for the period.

Entries in the logbook for each business trip must be made at the time of the journey and show:

- date the journey began and ended
- odometer readings at the start and end of the journey
- kilometres travelled on the journey
- reason for the journey.

Your records must also show the make, model, engine capacity and registration number of the car.

Please find attached for your convenience a log book journal to record the necessary information to support your claims for motor vehicle expenses.

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