

MOTOR VEHICLE CHECKLIST

What You Can Claim

You can claim the cost of car expenses for work related purposes.

You **cannot** claim for the normal trip between home and work, **unless**:

- You use your car to carry bulky tools or equipment (such as an extension ladder or cello) which you use for work and cannot leave at work.
- Your home is a base for employment (you start work at home and travel to a workplace to continue work for the same employer), or
- You have shifting places of employment (you regularly work at more than one place each day)

You **can** claim:

- Between two separate places of employment (for example, when you have a second job)
- From your normal workplace to an alternative workplace while you are still on duty and back to your normal workplace or directly home
- From your home to an alternative workplace and then to your normal workplace or directly home (for example, if you travel to a client's premises to work there for the day).

Methods of Claiming

You can choose one of the following methods to work out your work-related car expenses. For work related travel under 5,000 kilometres

- Cents per kilometre method, or
- Logbook method

For work related travel over 5,000 kilometres

- Logbook method

Cents per kilometre method

- Based on a set rate per kilometre depending on engine capacity.
- You can claim a maximum of 5,000 business kilometres per car, per year.

Logbook method

- Required to complete a logbook over 12 consecutive weeks to determine a percentage of business kilometres. Each logbook is valid for 5 years provided circumstances do not change substantially.
- You claim the business percentage of each of the following:
 - Fuel and oil
 - Repairs and maintenance
 - Registration and insurance
 - Depreciation
 - Interest on borrowings

Please Indicate whether information is applicable (please tick); Y = Yes, N = No OR N/A = Not Applicable	Y	N	N/A
Subject to the method you choose to use please bring			
Make and Model of car	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Registration number of car	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The number of business kilometres travelled	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Purchase price of the vehicle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Date of purchase	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Copy of a finance agreement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Copy of the logbook	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Receipts for:			
• Fuel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Registration and CTP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Comprehensive insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Repairs and maintenance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

WHAT TO RECORD IN YOUR LOGBOOK

Your logbook must contain:

- When the logbook period begins and ends
- The car's odometer readings at the start and end of the logbook period
- The total number of kilometres the car travelled during the logbook period
- The number of kilometres travelled for each journey. If you make two or more journeys in a row on the same day, you can record them as a single journey
- The odometer readings at the start and end of each subsequent income year your logbook is valid for
- The business-use percentage for the logbook period
- The make, model, engine capacity and registration number of the car.

For each journey, record the:

- Reason for the journey (such as a description of the business reason or whether it was for private use)
- Start and end date of the journey
- Odometer readings at the start and end of the journey
- Kilometres travelled.

Logbook timeframe

If this is the first year you have used the logbook method, you must keep a logbook for at least 12 continuous weeks during the income year. That 12-week period needs to be representative of your travel throughout the year.

If you started to use your car for business-related purposes less than 12 weeks before the end of the income year, you can continue to keep a logbook into the next year so it covers the required 12 continuous weeks.

Each logbook you keep is valid for five years, but you may start a new logbook at any time.

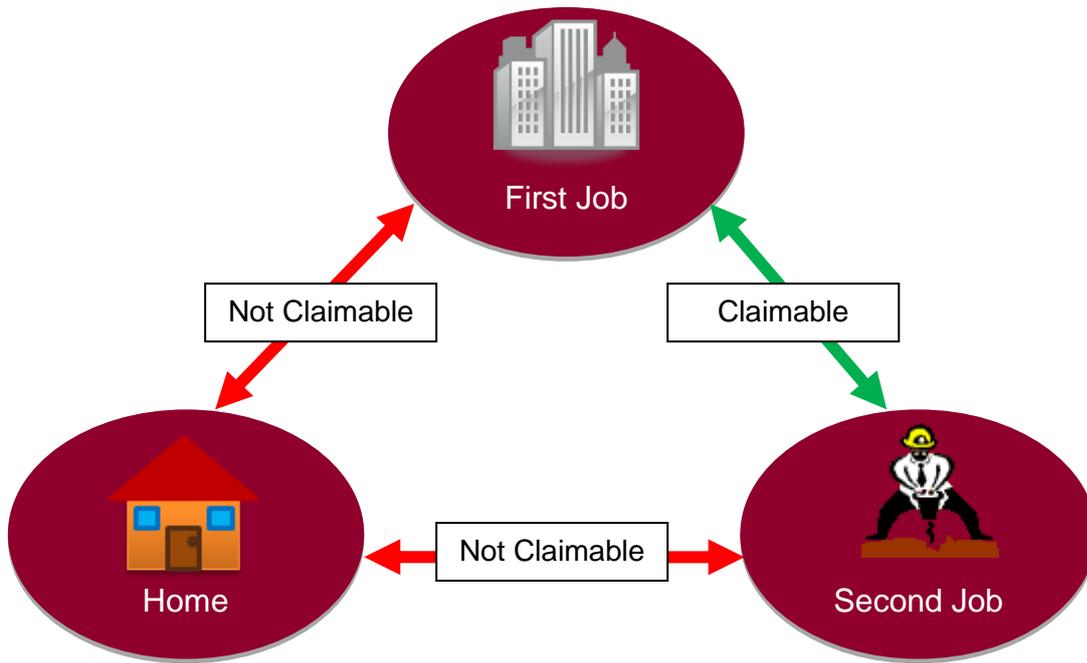
If you establish your business-use percentage using a logbook from an earlier year, you must keep that logbook and maintain odometer readings in the following years.

If your circumstances change, such as a change in the type of work undertaken by your business, you may need a new logbook.

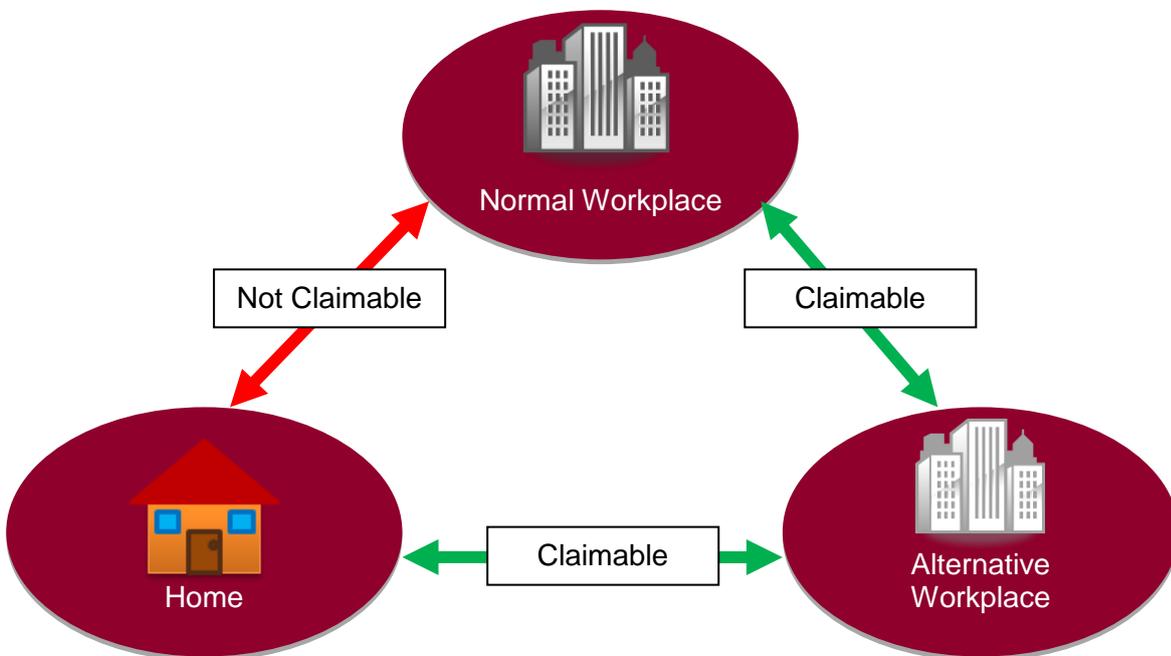
Using the logbook for two or more cars

If you want to use the logbook method for two or more cars, the logbook for each car must cover the same period. The 12-week period you choose should be representative of the business use of all cars.

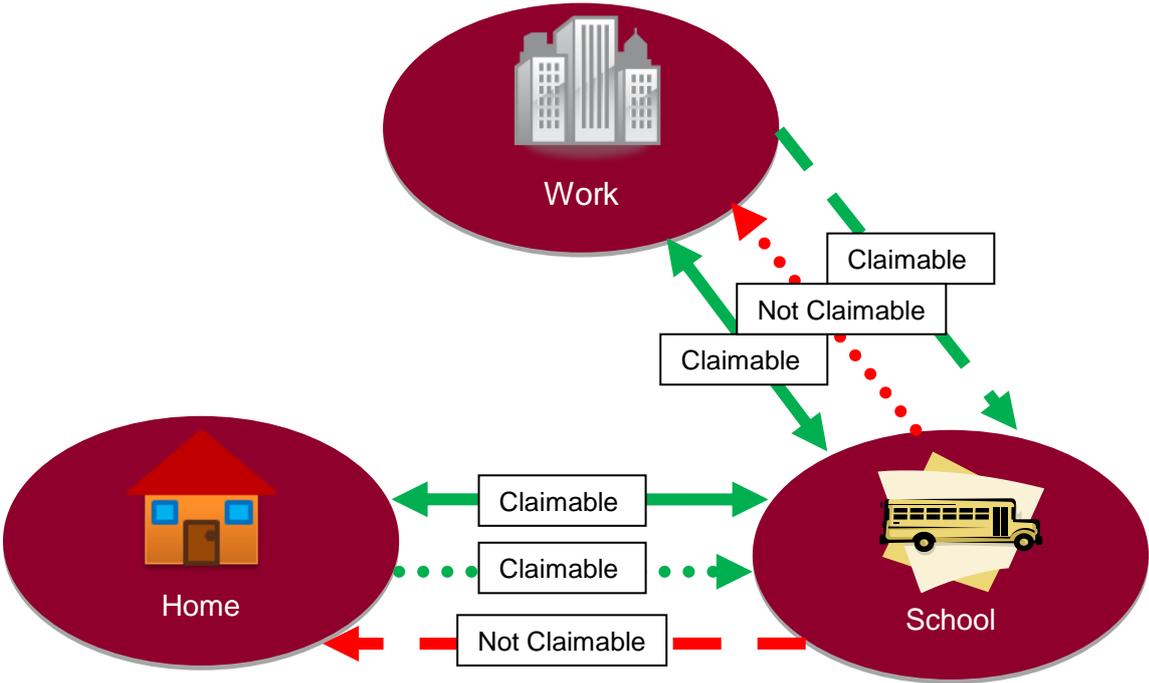
Work-Related Travel (Two Employers)



Work Related Travel (same employer, different workplaces, still on duty)



Self-Education Travel Diagram



HOW TO BE AUDIT READY

The Tax Office is getting serious about substantiation and the correlation (or nexus) between the expense incurred and the income earned.

In addition to our regular checklists that you can find on our website we have prepared this overview to assist you when compiling your documentation for completion of your income tax return.

WORK RELATED CAR EXPENSES:

- The use of your private vehicle for work purposes would normally be required for use during working hours.
 - Travelling to work and from work are outside working hours and therefore considered to be for private use not for work use. (Travel to attend work related study may be an exception to travelling outside work hours).
 - It is possible to have more than one regular place of work but if travel is from home to that regular place of work it is still considered private.
- Is it part of your work duty to travel to various locations during working time? Have you been requested to make the journey? Would your employer support your claim?
- Choosing the cents per kilometre method means you don't need to keep receipts for any car expenses however you do need to keep records of how you worked out your kilometres. Estimates will not be accepted. Entries in a diary will do but you should also note in the diary how far each trip was and for what purpose.
- Remember the cents per kilometre method is capped at a maximum 5,000 kilometres per car per year.
- Choosing the logbook method requires receipts to be kept for all expenses with the exception of fuel where it can be based on the fuel efficiency of the car and the average price for fuel in that year. Using the logbook method still requires:
 - The logbook to be a valid logbook set out as per the guidelines. Refer to our website for further details.
 - You are still required to note your odometer reading at the start and end of each financial year.
 - A logbook is only required to be renewed every 5 years unless your travel circumstances change significantly.

WORK RELATED UNIFORM, OCCUPATION SPECIFIC OR PROTECTIVE CLOTHING:

- Expenses to buy, wash or dry clean conventional clothing, even if required by your employer are not tax deductible.
- A work related uniform that is not occupation specific or protective clothing must have the employers logo permanently attached.
- If laundry expenses are less than \$150 then no substantiation is required however the Tax Office considers a work related uniform, occupation specific or protective clothing would cost \$1 per load if washed separately or 50c per load if washed with other garments. This could mean 3 to 6 washes per week if you were claiming the full \$150.
- Purchasing and dry cleaning require receipts.

OTHER WORK RELATED EXPENSES:

- Substantiation of expenses is required where the total claim is over \$300. (The \$300 does not include car and meal allowance, award transport payments allowance or travel allowance expenses).
- The \$300 is not a blanket tax deduction for all individuals. You will still be required to explain what you purchased and how it is connected to your work.
- There must be a nexus between the expenditure and your work duties.

❖ Please [click here](#) for relevant templates or contact us if you have any further questions.