

# Work Related Motor Vehicle Expenses

Please complete and send in with your 2019 Individual Tax Return checklist

CLIENT NAME:		CLIENT SIGNATURE:	X
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## INFORMATION FOR 2019 TAX RETURN – 1 July 2018 to 30 June 2019

Log Book Kept:	<input type="checkbox"/> Yes <input type="checkbox"/> No		
If log book kept, what period does it cover?			
Registration No:			
Vehicle Make and Model:			
Owner of Vehicle:			
Driver of Vehicle:			
Total Km Travelled in Financial Year:			
Business Km in Log Book Period:			
Total Km in Log Book Period:			
Your Calculation of Business Use %:			
Date Purchased:	___ / ___ / _____	Purchase Price:	\$
<input type="checkbox"/> Leased (please provide documentation if not already) <input type="checkbox"/> Hire Purchase (please provide documentation if not already) <input type="checkbox"/> Paid Cash			

RUNNING COSTS	TOTAL FOR YEAR (including GST)	MONTHLY PAYMENTS
Fuel:	\$	
Registration:	\$	
Insurance:	\$	
Repairs and Maintenance:	\$	
Lease Payments:	\$	\$
HP Payments:	\$	\$
Interest Paid:	\$	
Membership Fees (e.g. RACQ):	\$	

**IMPORTANT:** This is not advice. Clients should not act solely on the information contained within. Items herein are general comments only and do not constitute or convey advice per se. Also changes in legislation may occur quickly. We therefore recommend that our formal advice be sought before acting. This information is issued as a helpful guide to clients and for their private information. Therefore it should be regarded as confidential and not be made available to any person without our prior approval. © AVANCE, Chartered Accountants, photocopying of this document is only at the approval of its Directors. Issue Date: 12/07/2019

# Work Related Motor Vehicle Expenses

## Did you have any car expenses relating to your work as an employee?

Do not include expenses for vehicles other than cars – for example, utility trucks or panel vans with a carrying capacity of one tonne or more, vehicles with a carrying capacity of nine or more passengers, or motorcycles. These are treated as travel expenses. See Work Related Travel Expenses fact sheet for more information.

Do not include travel expenses including short-term car hire, public transport fares, bridge and road tolls, parking fees, taxi fares, or the work-related running costs of a car owned or leased by somebody else – a borrowed car. See Work Related Travel Expenses fact sheet for more information.

## Reimbursement for car expenses

If you received an allowance for car expenses or a reimbursement that was worked out by reference to the distance the car travelled, you must show the amount of the reimbursement or allowance as income on your tax return.

## Who owns the car?

You can claim at this item your work-related expenses for using a car that you owned, leased or hired (under a hire purchase agreement).

You cannot claim any expenses relating to a car owned or leased by someone else, including your employer or another member of your family. However, the Tax Office consider you to be the owner or lessee of a car and eligible to claim expenses where a family or private arrangement made you the owner or lessee even though you were not the registered owner. For example, the Tax Office would allow you to claim for a family car that was given to you as a birthday present and which, although it was not registered in your name, you used as your own and for which you paid all expenses.

If you owned or leased a car or hired one under a hire purchase agreement, you can use one of the four methods explained below to claim your work-related car expenses.

Depending on the method you choose, you will need to know or estimate your business kilometres.

**Business kilometres** are the kilometres you travelled in the car in the course of using it for work-related purposes.

## Calculating your deduction

You can use one of the two methods summarised below to work out your car expenses. Choose the method that gives you the largest deduction and ensure you have the necessary evidence.

### Method 1 – Cents per kilometre

Your claim is based on a set rate for each business kilometre. You can claim a maximum of 5,000 business kilometres.

### Method 2 – Logbook

Your claim is based on the business use percentage of each car expense. You need a logbook so you can work out the percentage. You need odometer readings for the start and end of the period you owned or leased the car. You can claim fuel and oil costs based on odometer records. You need written evidence for all the other expenses for the car.

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## What trips are work related?

You **cannot** claim the cost of normal trips between home and work as that travel is private. You cannot claim it even if:

- you did minor tasks – for example, picking up the mail on the way to work or home;
- you had to travel between home and work more than once a day;
- you were on call – for example, you were on standby duty and your employer contacted you at home to come into work;
- there was no public transport near where you work;
- you worked outside normal business hours – for example, shift work or overtime; or
- your home was a place of business and you travelled directly to a place of employment.

You **can** claim the cost of trips between home and work if:

- you used your car because you had to carry bulky tools or equipment that you used for work and could not leave at work – for example, an extension ladder or cello;
- your home was a base of employment – you started your work at home and travelled to a workplace to continue the work; or
- you had shifting places of employment – you regularly worked at more than one site each day before returning home.

You **can** claim the cost of using your car to travel directly between two separate places of employment – for example, when you have a second job.

You **can** claim the cost of using your car to travel:

- from your normal workplace to an alternative workplace – for example, a client's premises – while still on duty and back to your normal workplace or directly home; or
- from your home to an alternative workplace for work purposes and then to your normal workplace or directly home.

## Award Transport Payments

Award transport payments are allowances covering transport expenses or car expenses reimbursements that are paid under an industrial law/award that was in force on 29<sup>th</sup> October 1986. Award transport payments are assessable income and must be included as income in your return. If you have incurred transport or car expenses covered by these payments, you may be able to claim a deduction for these expenses.

If your claim for work related transport or car expenses is no more than the award amount, you do not need written evidence. If you also have a claim for additional kilometres not covered by the award transport payment, your claim must be based on a deduction calculated by using either the cents per kilometre or log book method.

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