



Fact Sheet

Maximising Motor Vehicle Travel Expense Claims

Individuals and business owners may be able to claim car travel expenses in the following circumstances:

- If they have to carry bulky goods or equipment back and forth to work that cannot be left at the workplace
- Use a vehicle for work purposes
- Are a home based worker
- Require different vehicles to travel to different offices
- Travel between business locations during the day

Claimants should account in their Tax Return for any allowances provided by employers.

The following are ways in which you can claim motor vehicle expenses.

1. Logbook Method (for Employers, Employees and those in business)

The best method to claim vehicle costs is to maintain a log book.

The requirement is that the logbook be kept for 12 weeks, which serves as sufficient record of usage with the same car for the next five years.

The logbook helps calculate the business percentage usage of the car and allows for most running and maintenance, finance costs and depreciation or lease expenses to be claimed.

This method leads to the largest tax deduction as long as all receipts are kept and the logbook entries can be substantiated. Like most self assessment claims, it is up to the claimant to keep thorough evidence to support any deductions submitted to the ATO. You are always best to contact Marsh Tincknell Accountants or the ATO about maintaining a logbook for work related travel expenses.

2. Cents Per Kilometre (for Employees and self employed persons who travel less than 5,000 km for Tax purposes)

The ATO states that 66 cents per kilometre is the rate you can claim at for all cars – this used to be dependant on engine size but is no longer. A maximum of 5,000 km can be claimed each year, per car, with diary evidence to show how the rate per km was worked out. This method is best for those making a few trips a year with the maximum claim being \$3,300.

Should you wish to discuss work related travel expenses for motor vehicles in more detail, please do not hesitate to contact Marsh Tincknell Accountants on 07 3422 8000 or info@mtaccountants.com.au