

Claiming car expenses (2016 and later years)

Methods of claiming work related car expenses

Method 1 – Cents per kilometre method

If you use this method:

- you do not need written evidence but you may need to be able to show how you worked out your business kilometres
- your claim is based on a set rate for each business kilometre, and
- you are able to claim a maximum of 5,000 business kilometres even if you have travelled more.

For example, if you travelled 5,085 business kilometres and you want to use this method, you can only claim the cost of travelling 5,000 kilometres. You cannot claim for the extra 85 kilometres.

Data Needed

| | |
|-----------------------------------|--|
| Make and Model and Rego No of Car | |
| Date Purchased | |
| No of Kms for work/business | |
| Size of Motor | |

Method 2 – Logbook method

If you use this method your claim is based on the business use percentage of each car expense.

You need to keep:

- a logbook to calculate the business use percentage
- odometer readings for the start and end of the period you owned or leased the car, and
- written evidence for all car expenses, except for fuel and oil costs.

Your logbook is usually valid for five years. The logbook must cover at least 12 continuous weeks.

If you started to use your car for business purposes less than 12 weeks before the end of the income year, you are able to continue to keep a logbook into the following income year so that your logbook covers the required 12 weeks. If you want to use the logbook method for two or more cars, the logbook for each car must cover the same period.

If your claim relates to the 2015-16 income year and you have not kept a logbook since 2010-11, you must have kept a new logbook for 2015–16.

Your logbook must contain the following information:

- 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 that the car travelled during the logbook period
- the number of kilometres travelled for work activities based on journeys recorded in the logbook. If you make two or more in a row on the same day, they can be recorded as a single journey, and
- the business use percentage for the logbook period.

If you are using a logbook from an earlier year that established your business use percentage, you need to keep that logbook and maintain odometer records.

You also need a logbook if the ATO told you in writing to keep one. We do not supply logbooks. Pre-printed logbooks are available from stationery suppliers or you can draw up your own or use one of the many apps available for smartphones.

Data Needed

| | |
|------------------------------------|------------------------------|
| Make and Model and Regn No of Car | |
| Cost and Date Purchased | |
| Fuel costs | \$ |
| Registration | \$ |
| Insurance | \$ |
| Repairs | \$ |
| Other costs | \$ |
| Log Book dates | From To |
| Log Book Work/Business percentage. | |