

guide to claiming motor vehicle expenses

Used for employment/business purposes

Method	Cents per km	12% of original value	One third of actual costs	Log book
Requirements for eligibility	None	Travelled more than 5,000 kms for employment/business purposes.	Travelled more than 5,000 kms for employment/business purposes.	Maintained a valid log book for at least 12 weeks .
Formula	Employment/business kms travelled x statutory rate (set by ATO). ¹	Original value of car x 12%.	Total running costs of car x 1/3.	Total running costs of car x business use percentage.
Information required for substantiation purposes	<ul style="list-style-type: none"> - Make, model and registration number. - Engine capacity and type (ordinary or rotary). - Explain the basis of the claim. 	<ul style="list-style-type: none"> - Make, model and registration number. - Engine capacity. - Basis on which kms were calculated to meet the 5,000 km threshold (e.g. diary of trips). - Tax invoice, HP/lease agreement or market value when car was first leased. 	<ul style="list-style-type: none"> - Make, model and registration number. - Engine capacity. - Basis on which business kms were calculated (e.g. diary of trips - odometer readings at start and end of income year need to be recorded). - Maintain written evidence of running costs being claimed (e.g. invoices/receipts). - Ensure the following information is recorded on invoices/receipts: <ul style="list-style-type: none"> • date of purchase; • name of supplier; • purchase amount; • description of the nature of the goods/services. 	<ul style="list-style-type: none"> - Make, model and registration number. - Engine capacity. - Odometer readings at start and end of respective income year. - If 1st year maintaining log book, it must cover at least 12 continuous weeks. Record the following data: <ul style="list-style-type: none"> • dates when log book period starts and ends; • odometer readings at start and end of log book period; • dates when each trip began and ended; • odometer readings at start and end of trip; • describe purpose of trip (e.g. "office - business meeting in Herdsman area - office"); • number of kms travelled on trip; • total kms travelled during period. - Maintain written evidence of running costs being claimed (e.g. invoices/receipts).
Other notes	<ul style="list-style-type: none"> - Claim limited to 5,000 kms. - Limit applies to the kms travelled in an income year by the car, not the taxpayer. - No balancing adjustment event on disposal of car. - Convenient method of claim. 	<ul style="list-style-type: none"> - Can only claim 12% of car value up to the luxury car limit.² - No balancing adjustment event on disposal of car. 	<ul style="list-style-type: none"> - Petrol costs can be derived using odometer records. - Luxury car limit applies when calculating the depreciation of car.² - Balancing adjustment event occurs on disposal of car. 	<ul style="list-style-type: none"> - Log book generally valid for 5 years. - Variations in the pattern of business use in the initial year need to be accounted for. - Any subsequent variation of 10% or more requires a new log book. - Private trips do not need to be recorded in log book. - Luxury car limit applies when calculating the depreciation of car.² - Balancing adjustment event occurs on disposal of car. - Method of claim should be used to maximise claim if significant employment/business use.

¹ Ordinary engine	Rotary engine	Cents per km 2012/2013	Cents per km 2013/2014
1,600cc or less	800cc or less	63 cents	65 cents
1,601cc to 2,600cc	801cc to 1,300cc	63 cents	76 cents
2,601cc and over	1,301cc and over	75 cents	77 cents

² Luxury car limit for 2013/2014 income year is \$57,466

a clear difference