

MOTOR VEHICLE EXPENSES

Tax deductions for expenses relating to your motor vehicle are allowable *if* they were incurred in the course of deriving assessable income or in carrying on a business.

It is important to note that travel to and from your place of employment is not considered to be work-related unless you are carrying excessively bulky tools or equipment that you can not securely store at work.

Travel between 2 places of employment or from a place of employment to a premise that you carry on a business from is tax deductible.

There are a number of different methods to calculate the motor vehicle expense that can be claimed, being log book method, set rate, 12% of original cost, and 1/3 of actual expenses. As we are able to use the method that gives us the best tax deduction, it may mean that the method used for calculating your Motor Vehicle expenses changes from year to year.

Records for motor vehicle expenses must be kept for five years after the relevant return is lodged or until any relevant dispute is settled.

If you feel that the business use of your motor vehicle is significant and you have not completed a log book for a 12 week period in the last 5 years, you should contact your Client Manager for instructions and a complementary log book.