



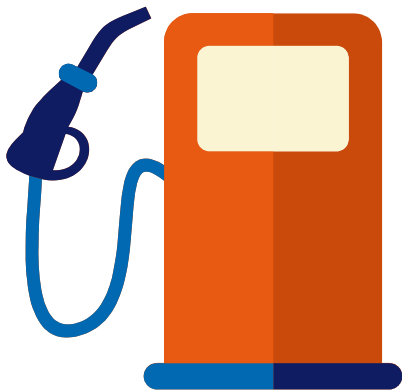
Australian
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CAR EXPENSES



To claim a deduction for car expense:



- ☑ You must **have spent** the money yourself and **weren't** reimbursed.
- ☑ It must **directly** relate to earning your income (Work related).
- ☑ You must have a **record** to prove it.

Claiming deduction for car expense

✓ How we define cars and other motor vehicles?

Cars are motor vehicles (excluding motorcycles and similar vehicles) that carry loads less than one tonne and less than 9 passengers. This definition includes many four-wheel drives.

✓ Which type of vehicle could be claimed under work related section?

- a car your own, lease or hire (under a hire-purchase arrangement)
 - someone else's car
 - a motor vehicle, that is not defined as a car.
- Work related car expense
- Work related travel expense

Eventually, the type of deduction you can get depends on the type of travel and type vehicle you have as well.



Car Expenses



You can claim a deduction for vehicle expenses if you use vehicle to:

- perform your work duties
- attend work-related conferences or meetings away from your normal workplace
- travel directly between two separate places of employment if neither of the places is your home
- travel from your normal workplace to an alternative workplace and back to your normal workplace
- travel from your home to an alternative workplace and then to your normal workplace
- **Limited circumstances** claiming the cost of trips between home & work
 - ✓ Perform itinerant work – shifting places of employment (for example, you regularly worked at more than one site each day before returning home).
 - ✓ Carry bulky tools or equipment for work



Source:

<https://www.ato.gov.au/individuals/income-deductions-offsets-and-records/deductions-you-can-claim/cars-transport-and-travel/motor-vehicle-and-car-expenses/>

Cents per kilograms method

- Cents per km is generally used where there is **not consistent itinerant travel or large travel** to second jobs or workplaces as the record keep requirements are not so onerous.
- How to record:
 - ✓ A reasonable estimate has to be made of travel – e.g. one where general distance of travel is reflected in the deduction.
 - ✓ No odometer records needs be kept but travel km have to be reflective of distance - the [ATO mydeduction](#) app can be used to calculate km at time of travel, otherwise the little log-book or google maps can be used and a record kept of km and travel locations can be kept for cents per km.
- Examples:
 - ✓ travel to do the banking on the way home from work is deductible
 - × Picking up office supplies is not deductible



Logbook: record keeping

1. Fuel and oil costs
2. Maintenance and repairs
3. Insurance premiums
4. Registration fees
5. Loan interest (if applicable)
6. Lease payments (if applicable)
7. Depreciation (decline in value)
8. Cleaning costs
9. Parking fees and tolls




- when the logbook period begins and ends
- the total number of kilometres the car travelled during the logbook period
- the number of kilometres travelled for each journey
- the odometer readings at the start and end of each subsequent income year your logbook is valid for
- the make, model, engine capacity and registration number of the car.

Notes: The logbook method necessitates a 12-week record of business-related car use to determine the percentage of business use for adopting this approach.

Work-related car expenses calculator

This tool allows you to calculate the car expenses yourself.

Work-related car expenses calculator

Help 


All fields marked with * are mandatory

Select an income year *

- Select -



Add a work-related car record

Add 

Access it

[HERE](#)

Source:

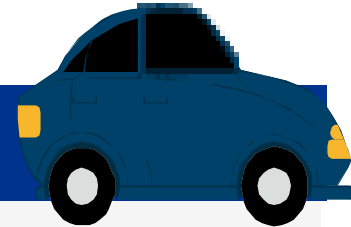
<https://www.ato.gov.au/individuals/income-deductions-offsets-and-records/deductions-you-can-claim/cars-transport-and-travel/motor-vehicle-and-car-expenses/expenses-for-a-car-you-own-or-lease/>



Different kinds of vehicles - scenario

Kinds of vehicles	Method	Records
vehicle with <ul style="list-style-type: none"> - more than 1 tonne carrying capacity, e.g. trucks and heavy vehicles, and - a carrying capacity of 9 or more passengers (including the driver), e.g. a minibus. 	<ul style="list-style-type: none"> - unable to use the logbook /cents per kilometres method - have to work out actual expenses for your work-related travel in the vehicle - claim the deduction in your tax return as a work-related travel expense 	<ul style="list-style-type: none"> - evidence of how you calculated your work-related use of the vehicle - original receipts for all of your vehicle expenses - details of how you work out your claim for the decline in value of the vehicle, including the effective life and method you use.
vehicle (car) with <ul style="list-style-type: none"> - less than 1 tonne carrying capacity, and - fewer than 9 passengers (including the driver). 	<ul style="list-style-type: none"> - Can use logbook or cents per kilometres method 	<p>Cents per kilometres method : work-related trips recorded on</p> <ul style="list-style-type: none"> - Dirary - using the myDeductions tool in the ATO app. <p>Logbook method:</p> <ul style="list-style-type: none"> - Travel pattern does not vary too much over the period: Only need to keep it for 3 months of travel then it is valid for the next 5 years (3 months of travel include all work and private travel and each type is to be recorded in the logbook.) - Travel pattern has changes: such as getting a new job then you have to keep another logbook.

Car expenses-calculation methods



Cents per kilometre (km) method

(88 cents per km for 2024-2025)

- a. Maximum of **5,000km** work-related kilometres (km) per car could be claimed.
- b. don't need receipts for your expenses(e.g., fuel receipts) & do need a record to show how you calculate your work-related kilometres (e.g., using a diary) .
- c. Be able to show that you own the car.
- d. Multiply the number of work-related km travelled in the car by the rate per km .

Notes: The cents per kilometre rate covers all car expenses, decline in value, registration, insurance, maintenance, repairs and fuel costs.

Logbook Method

(based on work-related use percentage)

- a. Calculate the total number of kilometres travelled during the logbook period.
- b. Calculate the number of kilometres you travelled for allowable work-related trips during the logbook period:
- c. Calculate the business use percentage by dividing the amount at (b) by the amount at (a) then multiply this figure by 100.
- d. Multiply the total car expenses by the business-use percentage.



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