

UPDATE

Work Related Car Expenses

Work related car expenses to be simplified

The 2015 Federal Budget proposes the following changes to work-related car expenses:

- The 12% of original value method, and one-third of actual expenses incurred will be discontinued.
- The Government will set 66c/km as the rate for using the cents/km method, irrespective of a car's engine size.
- The changes will apply from the 2015-16 income year.

What does this mean for you?

To maximise income tax deductions, GST claims and minimise any possible fringe benefits tax liability, **we strongly recommend a vehicle log book be kept for a continuous period of 12 weeks.** This will substantiate the business use of the vehicle and provide options to calculate the best treatment of your motor vehicle expenses.

Please refer over the page for a log book pro forma. Log books are also available at our office free of charge. Many electronic apps are also available if you prefer.

Should you wish to discuss the above, please contact your accountant.

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Log Book Pro Forma

Vehicle registration number:

Period covered by log book:

From

To

Odometer readings for period:

Start

End

Odometer readings per journey		Date of travel		Kms travelled	Reason for journey
Total kilometres for period:					
Total business kilometres:					%