Motor Vehicle Deductions

- Vehicle Log Book -

What to Record

A log book can be used to record all business trips and then an actual business use percentage calculated for each period.

Alternatively the log book can be kept for a three-month period every three years. If the use of the vehicle or the nature of the business changes over that three-year period, then another trial period of three months must be done.

The log book needs to record the following:

- The type of vehicle
- The date and purpose of each business trip
- The start and finish reading from the vehicle’s odometer

From these records a percentage of business running can be determined. This percentage is then applied to the total running costs and depreciation of that vehicle to determine the amount of business related expenses that can be claimed for GST and income tax purposes.

At the end of the three year period a new log book must be kept.

An example of a vehicle log book is shown below.

If no Log Book is kept

If no vehicle log book is kept, and the vehicle has an element of private use (perhaps going from home to work), then the maximum amount able to be claimed for income tax purposes is 25%.

The GST legislation does not have this same allowance. Technically, if a car has an element of private use and no log book is kept, no deduction for any GST on that vehicle’s expenses can be claimed.
## Example of Vehicle Log Book

**Vehicle log book**

Vehicle Description: Ford Fairmont

Vehicle Registration Number: EER 6952

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<th>Time</th>
<th>Starting kms</th>
<th>Ending kms</th>
<th>Difference</th>
<th>Origin/Destinations</th>
<th>Reason</th>
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</table>

**Total distance travelled** 980

Calculation of business use percentage:

\[
\text{Business use} \div \text{total business distance travelled} = \frac{980}{980} = 20.84\%
\]

Percentage = \[
\frac{980}{70125 - 65423} = \frac{980}{4692} = 20.84\%
\]

Subject to Disclaimer