

# JAS PARTNERS

## CHARTERED ACCOUNTANTS

BUSINESS ADVISERS – TAXATION PROFESSIONALS – SUPERANNUATION CONSULTANTS

### Keeping a valid Logbook

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Many taxpayers are currently claiming their business or work related Motor Vehicle Expenses using the “Logbook Method”. However a substantial number of those taxpayers are not aware of what constitutes a valid logbook for tax purposes. There is also a common misconception that Utilities are not required to maintain a valid logbook. This belief is incorrect and there is no exception to the logbook requirement purely because the Motor Vehicle is a utility.

We hope the below guide will give you all the details you need to ensure that you are using a valid logbook and claiming the correct amount for your Motor Vehicle Expenses on your next tax return.

In order to be valid, your logbook must show the following information:

- The date the logbook period starts and ends
- The odometer readings at the date the period starts and ends
- The total number of kilometres travelled during the logbook period
- The number of business or work related kilometres during the logbook period
- The business use percentage for the period
- The make, model, engine capacity and registration number of the vehicle

The logbook must cover at least 12 continuous weeks and is valid for five years. Note however that if you started using your car for work related purposes less than 12 weeks before the end of the year, you can extend the 12 week period into the following income year.

#### **EXAMPLE:**

If you commence using your vehicle for work purposes and also started a logbook on 1 May 2011, the logbook would at least have to until the 24th July 2011 and would be valid for the 2011 to 2016 Income years, provided that the business use did not change during any of those years.

For each business trip, entries must be made in the logbook as soon as possible after the end of the journey, which show:

- The date the journey began and ended
- The odometer readings at the start and end of the journey
- The kilometres travelled on the journey
- The reason for the journey

Your Business Use percentage can be obtained from the logbook data, by dividing the number of kilometres you travelled for work related purposes by the total number of kilometres travelled during the logbook period.

If you have any questions in relation to your logbook, please contact our office to discuss.

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