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| Motor Vehicle Expenses |  |

If you use a personal motor vehicle for both business and personal use, you can deduct only the part of the expenses that you paid to earn income. To support the amount you can deduct, keep a record of the total kilometers you drive and the kilometers you drive to earn income.

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| --- | --- |
| Odometer Reading at Start of year |  |
| Odometer Reading at End of year |  |
| KMs driven to earn business income1 |  |

Include ALL the following expenses PAID during the tax year. Include GST where relevant:

|  |  |  |
| --- | --- | --- |
| **Expense Type** | **Amount already in Xero/QBO** | **Amount**  **Not in Xero/QBO** |
| Vehicle Registration Fees2 |  |  |
| Gasoline |  |  |
| Insurance |  |  |
| Interest/Lease Costs3 |  |  |
| Repairs & Maintenance |  |  |

**NOTES:**

1. Complete a Motor Vehicle Log Book to determine this number – you can use the template on the next page if you need one, or contact us for a spreadsheet. You should keep this record as you may be asked to supply it by CRA.
2. You cannot include your personal driver’s license renewal
3. You will need to provide further details of lease/interest costs. There are limitations on what you can claim.
4. You should retain all receipts in case you are requested to substantiate your claim.
5. Driving from home to work (even if variable locations) is usually considered a personal expense. If your primary work location is your home then claiming travel to customers is allowed.

**IMPORTANT NOTE:**

This method MUST be used for a Sole Proprietor or Partnership. If you operate your business through a Corporation you may use this method or a mileage claim. We will do both calculations and use the one that is best. Mileage log is ABSOLUTELY required or CRA will just deny your claim. Want an app to help track your mileage? Check out [MileIQ](https://www.mileiq.com/).

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| Motor Vehicle Log Book  You should log EVERY business trip! You can get an Excel version from our [Common Files](https://fuelaccountants.com/common-forms/) page. | *How fast do you want your  business to go?* | |
| Starting Odometer: \_\_\_\_\_\_\_\_\_\_\_\_ on \_\_/\_\_/\_\_ | | Ending Odometer: \_\_\_\_\_\_\_\_\_\_\_\_ on \_\_/\_\_/\_\_ |

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| **Date** | **From**  **(start point)** | **To**  **(destination)** | **Purpose** | **Business KMs** |
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