

How to Keep Your Auto Expense Records

Auto Expenses: mileage for traveling between business locations is deductible. **Commuting between your home and your office each day or between your residence and one or more regular places of business — is not deductible and should not be recorded as business miles.**

However, daily transportation expenses, for example going between your residence and temporary work locations, clients, vendors, etc. is deductible. Record all miles to temporary job locations, as business miles.

Your auto expense deduction is based on the number of business miles you drive. Your deductions may be significantly greater if you use your vehicle more than 50% for business. Therefore, accurate records of your business mileage are very important.

Keep Separate Records for each Vehicle you use in business.

Document Each Business Trip and Actual Vehicle Expenses in your record book by:

- Entering the date and business purpose of each trip.
- Noting the place, destination, or locations to which you traveled.
- Recording the number of business miles you drove, is required by the IRS.
- Recording expenses for gas and oil, maintenance and repair and wash/wax expenses on a daily basis. Also record periodic expenses for insurance, license registration, taxes, loan interest payments, lease fees.
- You may use the standard mileage rate method or the actual expenses method.
Standard Mileage Rate Method requires you to keep a record of miles and no receipts. **In 2021, the IRS allows 56¢ per mile (58.5¢ in 2022)** plus the business portion of parking, tolls, and auto loan interest. The mileage method is allowed only if you use one vehicle on business
Actual Expenses Method requires you to keep a record of miles and receipts for gasoline, oil, repairs, insurance, registration & license costs, etc. (Not worth the effort)
- Recording the total number of miles you drive the auto during the year (change in odometer). See attached sheets for the two mileage logs available for your use.

Business Mileage & Actual Auto Expenses

2	0	2
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DATE	BUSINESS PURPOSE DESCRIPTION, LOCATION, DESTINATION, ETC	BUSINESS MILEAGE			AUTO EXPENSES			PARKING & TOLLS	OTHER
		ODOMETER READING		NO. MILES	GAS OIL	MAINT. REPAIRS	WASH WAX		
		START	FINISH						
	BALANCE FORWARD								
	TOTALS								

Sample Auto Log

2021

DATE	BUSINESS PURPOSE DESCRIPTION, LOCATION, DESTINATION, ETC	BUSINESS MILEAGE			AUTO EXPENSES			P A R K I N G & T O L L S	O T H E R
		ODOMETER READING		NO. MILES	GAS OIL	MAINT. REPAIRS	WASH WAX		
		START	FINISH						
				3176	327.78	173.5	27.50	6.50	
4/12	STV INC. ANAHEIM	31847	31902	55	20.15				
	DELIVERED SIGNED CONTRACT								
	JIM EDWARDS, PRES.								
4/13	FLY TO SACRAMENTO	31912	31928	16					
4/14	SALES APPT. ACE SUPPLY	31928	31944	16			4.50		
TOTALS									

Business Mileage Record

2	0	2	
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DATE	DESTINATION	PURPOSE	BEGINING MILEAGE	ENDING MILEAGE	TOTAL MILES	PARKNG TOLLS
	FROM:					
	TO:					
	FROM:					
	TO:					
	FROM:					
	TO:					
	FROM:					
	TO:					
	FROM:					
	TO:					
	FROM:					
	TO:					
	FROM:					
	TO:					
	FROM:					
	TO:					
	FROM:					
	TO:					
	FROM:					
	TO:					
		TOTALS				