

# 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.
- Recording actual expenses is optional. You may use the mileage method. **In 2012, the IRS allows 55.5¢ per business mile** in lieu of actual costs, plus business portion of parking, tolls and auto loan interest. **For 2011, the IRS allows 51¢ (Jan–June) and 55.5¢ (July–Dec) per business mile.** The mileage method is allowed only if you use one vehicle for business.
- 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.





