

# AUTOMOBILE EXPENSE SUMMARY

Taxpayer Name: \_\_\_\_\_ Tax Year: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Check Method Used: \_\_\_\_\_ Standard Mileage ( Complete Part A ) \_\_\_\_\_ Actual Expense ( Complete Parts A, B and C )

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## PART A: Standard Mileage Rate Method = 56 cents per mile for 2014

Total Business Miles \_\_\_\_\_ Roundtrip Miles to Office \_\_\_\_\_

Total Personal Miles \_\_\_\_\_ Business Use Percentage \_\_\_\_\_%

Total Mileage for Year \_\_\_\_\_

### YOU MUST ANSWER THESE QUESTIONS !

Do you have a second vehicle available for personal use ? \_\_\_\_\_ YES \_\_\_\_\_ NO

Do you have evidence to support your business use deduction ? \_\_\_\_\_ YES \_\_\_\_\_ NO

If yes, is the evidence written ? \_\_\_\_\_ YES \_\_\_\_\_ NO

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## PART B: Actual Expense Method (Must also complete Part A)

Gasoline \_\_\_\_\_ Tires \_\_\_\_\_ Personal Property Tax \_\_\_\_\_

Insurance \_\_\_\_\_ Wash & Cleaning \_\_\_\_\_ Interest on Car Loans \_\_\_\_\_

Licenses \_\_\_\_\_ State Inspection \_\_\_\_\_ Repairs \_\_\_\_\_

Tune-Up & Oil \_\_\_\_\_ Lease Payments \_\_\_\_\_ Other (Describe): \_\_\_\_\_

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## PART C: General Information

Make, model and year \_\_\_\_\_ Cost \$ \_\_\_\_\_ Date placed in service \_\_\_\_\_

Complete a separate expense summary for each vehicle that was used for business purposes during the tax year.

*New clients only:* If the vehicle was depreciated in prior years, please attach depreciation schedules if you have them.

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## AUTOMOBILE EXPENSE RECORDKEEPING AND THE I.R.S.

### General Requirements

IRS regulations require that a taxpayer must substantiate each element of a business expenditure or use by adequate written records or by sufficient evidence corroborating his own statement. Written evidence is given greater weight than oral evidence alone, and the value of written evidence is greater the closer in time it relates to the expenditure or use. Although a contemporaneous record is not required by law, a record of an expenditure or use made at the time of the expenditure or use constitutes the best evidence with which to satisfy the substantiation requirements. The elements to be proved with respect to cars are: (1) the amount of each expenditure (2) the amount of each business use (3) the date of the expenditure or use, and (4) the business purpose of the expenditure or use. The deduction for business use is the ratio of business use to total use determined by mileage.

### Adequate Records

A taxpayer may substantiate his or her car expenses by keeping the following types of records: (1) account books, diaries, and logs (2) documentary evidence such as receipts (3) trip sheets, and (4) expense reports.

The IRS regulations do allow a taxpayer to maintain an adequate record for portions of a tax year and use that record to substantiate business use of a car for the remainder of the year if you can demonstrate by other evidence that the periods for which the adequate records are maintained are representative of the tax year as a whole.

### Commuting versus Business Use

The costs of traveling between a taxpayer's home and his principal or regular place of business are considered to be personal expenses and are not deductible. In the case of a real estate sales agent, there is no single place of business. The mileage between your home and the first (or last) business stop is considered personal commuting mileage. Your first business stop could be your office but it could also be a house you are showing or a closing you are attending. Therefore, if you live close to your office you should make it a policy to always stop there first and last. This will also simplify your mileage record keeping. The rules relating to automobile expenses and record keeping are some of the most complex in our current tax law. Please call me if you have any questions regarding this or any other area.