



TD 94/15 - Income tax: if a taxpayer uses a car of the type defined in paragraph 82KV(4)(a) of the Income Tax Assessment Act 1936 in the course of producing assessable income, are related car expenses exempted from the substantiation provisions where the car is used other than in an exempt manner at any time during the year of income?

 This cover sheet is provided for information only. It does not form part of *TD 94/15 - Income tax: if a taxpayer uses a car of the type defined in paragraph 82KV(4)(a) of the Income Tax Assessment Act 1936 in the course of producing assessable income, are related car expenses exempted from the substantiation provisions where the car is used other than in an exempt manner at any time during the year of income?*

 This document has changed over time. This is a consolidated version of the ruling which was published on *27 January 1994*

This Determination, to the extent that it is capable of being a 'public ruling' in terms of Part IVAAA of the *Taxation Administration Act 1953*, is a public ruling for the purposes of that Part. Taxation Ruling TR 92/1 explains when a Determination is a public ruling and how it is binding on the Commissioner. Unless otherwise stated, this Determination applies to years commencing both before and after its date of issue. However, this Determination does not apply to taxpayers to the extent that it conflicts with the terms of a settlement of a dispute agreed to before the date of issue of the Determination (see paragraphs 21 and 22 of Taxation Ruling TR 92/20).

Taxation Determination

Income tax: if a taxpayer uses a car of the type defined in paragraph 82KV(4)(a) of the *Income Tax Assessment Act 1936* in the course of producing assessable income, are related car expenses exempted from the substantiation provisions where the car is used other than in an exempt manner at any time during the year of income?

1. No. Section 82KV only provides relief from the substantiation provisions where a car that is a taxi, a panel van or a utility truck, or any other road vehicle designed to carry a load of less than 1 tonne (other than a vehicle designed for the principal purpose of carrying passengers) is used exclusively in an exempt manner for the whole of the year of income.

2. If a car referred to in paragraph 1 is used for a purpose other than

- a. producing assessable income;
- b. travel between home and work; or
- c. travel incidental to producing assessable income,

the car has not to be used in an exempt manner for the whole of the year of income and is therefore subject to the substantiation provisions.

3. An example of incidental travel referred to in paragraph 2(c) would include picking up the paper on the normal route to work where there is not detour involved. In contrast, incidental travel would not include detours to drop children off to school.

Example 1

A taxpayer is a carpenter who owns a utility truck. He uses the utility to transport his tools from home to work and from job site to job site. During the year of income he also uses the utility to go on several fishing trips. As he has used his utility in a manner other than an exempt manner (as set out in paragraph 2 above) the substantiation provisions will apply to the claim for motor vehicle expenses.

Commissioner of Taxation

27/1/94

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Related Determinations:

Related Rulings:

Subject Ref: exempt manner; motor vehicle; substantiation

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