


***TD 92/D230 - Income tax: is a person who owns or leases a car for a period of not less than 12 months uses the car to travel 5,000 kilometres or less for business purposes in a year of income, and elects to claim a deduction for motor vehicle expenses using the cents per kilometre basis, required to prove the claim?***

 This cover sheet is provided for information only. It does not form part of *TD 92/D230 - Income tax: is a person who owns or leases a car for a period of not less than 12 months uses the car to travel 5,000 kilometres or less for business purposes in a year of income, and elects to claim a deduction for motor vehicle expenses using the cents per kilometre basis, required to prove the claim?*

This document has been finalised by TD 93/147.

Draft Taxation Determinations (TDs) represent the preliminary, though considered, views of the ATO. Draft TDs may not be relied on; only final TDs are authoritative statements of the ATO.

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## Draft Taxation Determination

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**Income tax: is a person who**

- **owns or leases a car for a period of not less than 12 months**
- **uses the car to travel 5,000 kilometres or less for business purposes in a year of income, and**
- **elects to claim a deduction for motor vehicle expenses using the cents per kilometre basis,**

**required to prove the claim?**

1. Yes. While a person who elects to claim car expenses using this method does not have to maintain documentation according to the substantiation rules, the person is still required to satisfy the Commissioner that the travel was undertaken for work purposes and that the expense as claimed was calculated on a reasonable basis.

*Examples:*

1. Robert undertook work related travel between two locations on a regular weekly basis throughout the year of income. He knew the distance between the two locations and his motor vehicle's engine capacity. This information would generally be sufficient to enable Robert to calculate a reasonable estimate of the total business kilometres travelled and his total allowable deduction for motor vehicle travel expenses.

2. Anne travelled between various locations on an irregular basis throughout the year of income. To establish a detailed estimate of the business kilometres travelled, Anne kept a written record of each journey and the distances travelled. On this basis she would be able to provide a detailed estimate of the total business kilometres travelled and her total allowable deduction for motor vehicle travel expenses.

**Commissioner of Taxation**

10/12/92

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FOI INDEX DETAIL: Reference No.

Related Determinations: TD

Related Rulings:

Subject Ref: car expense; substantiation; motor vehicles; travel expenses

Legislative Ref: ITAA 51(1); ITAA 82KX(1); ITAA 82KX(2)

Case Ref:

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