


***TD 93/D116 - Income tax: motor vehicle  
substantiation: does the 5000 kilometre limit in  
section 82KX of the Income Tax Assessment Act  
1936 relate to the distance travelled by the car or by  
the taxpayer?***

 This cover sheet is provided for information only. It does not form part of *TD 93/D116 - Income tax: motor vehicle substantiation: does the 5000 kilometre limit in section 82KX of the Income Tax Assessment Act 1936 relate to the distance travelled by the car or by the taxpayer?*

This document has been finalised by TD 93/177.

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: motor vehicle substantiation: does the 5000 kilometre limit in section 82KX of the *Income Tax Assessment Act 1936* relate to the distance travelled by the car or by the taxpayer?**

1. It is the distance travelled by the owner (taxpayer) in the car that is relevant to the deduction being claimed. Where two or more taxpayers own a car and each uses that car separately for income producing purposes, each is entitled to claim a deduction using the set rate per kilometre method up to 5000 kilometres because ownership is considered to include both joint and co-ownership within its ordinary non-technical meaning.

### *Example 1*

*Trevor is a real estate salesman and uses the family car during the day for work. Jane his wife, sells beauty products in the evenings. As each uses the car separately for income producing purposes each taxpayer is entitled to claim a deduction using the set rate per kilometre method up to 5000 kilometres.*

### *Example 2*

*Jack and Jill sell encyclopaedias. They travel together in the family car to a central point where they separate and make their house-calls individually. Each taxpayer may claim a deduction of up to 5000 kilometres, eg. if the total distance travelled for income producing purposes is 10,000 kilometres, each can claim 5000 kilometres.*

**Commissioner of Taxation**  
13/5/93

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FOI INDEX DETAIL: Reference No.

Related Determinations:

Related Rulings:

Subject Ref: substantiation; car expenses

Legislative Ref: ITAA 82KX

Case Ref:

ATO Ref: CHMTD 001

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ISSN 1038 - 8982