



Legislative Instrument

Income Tax Assessment Act 1997 - Cents per Kilometre Deduction Rate for Car Expenses 2018

I, Alison Lendon, Deputy Commissioner of Taxation make the following legislative instrument regarding the cents per kilometre deduction rate for motor vehicle expenses for years of income commencing 1 July 2018 in accordance with subsection 28-25(4) of the *Income Tax Assessment Act 1997*.

Alison Lendon

Deputy Commissioner of Taxation
Dated: 2 July 2018

1. Name of instrument

This instrument is the *Income Tax Assessment Act 1997 - Cents per Kilometre Deduction Rate for Car Expenses 2018*.

2. Commencement

The instrument applies from 1 July 2018. Subsection 12(2) of the *Legislation Act 2003* prohibits the retrospective application of a legislative instrument if it detrimentally affects the rights of any person other than the Commonwealth. This subsection does not apply as this instrument is beneficial to taxpayers as it allows them to claim a greater deduction than was allowed for previous income years.

3. Repealing of existing instrument

This legislative instrument repeals and replaces legislative instrument *Income Tax Assessment Act – Cents per kilometre deduction rate for motor vehicle expenses* (F2016L01157), registered on 4 July 2016.

4. Application

This instrument applies to work-related car expense deductions, and sets the rate at which those deductions may be calculated using the cents per kilometre method. Subsection 28-25(4) of the *Income Tax Assessment Act 1997* allows the Commissioner of Taxation to determine the rate for the cents per kilometre method for an income year.

The Commissioner of Taxation has determined that the rate is 68 cents per kilometre for the income year commencing 1 July 2018.

This rate applies to the income year commencing 1 July 2018, and remains applicable to subsequent income years until such time as the Commissioner of Taxation, having regard to subsection 28-25(5), determines that it should be varied.

5. Determination (Who is covered by this Determination)

This determination applies to eligible taxpayers who elect to use the cents per kilometre method when calculating income tax deductions for their work-related car expenses.