



***TD 93/147 - Income tax: is a person who owns a car or leases a car for a period of not less than 12 months, uses the car to travel 5,000 kilometres or less for income producing 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 93/147 - Income tax: is a person who owns a car or leases a car for a period of not less than 12 months, uses the car to travel 5,000 kilometres or less for income producing 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 changed over time. This is a consolidated version of the ruling which was published on 5 August 1993

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: is a person who**

- . owns a car or leases a car for a period of not less than 12 months,**
- . uses the car to travel 5,000 kilometres or less for income producing 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 a 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 income producing purposes and that the expense as claimed was calculated on a reasonable basis.

*Examples:*

1. *Robert, an employee, undertook work related travel between 2 locations on a regular basis throughout the year of income. He knew the distances 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 work related kilometres travelled and his total allowable deduction for motor vehicle travel expenses.*

2. *Anne, is self-employed and travelled between various locations for business related purposes 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**

5/8/93

Related Determinations:

Related Rulings:

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

Legislative Ref:

Case Ref:

ATO Ref: BXH 0008

---

ISSN 1038 - 8982