



Advanced Partners

Tax Accounting & Advisory



Motor Vehicle Logbook Requirements

TAX GUIDE



Maintaining a valid car logbook is essential for:

- **Claiming deductions** in your personal tax return for work-related travel using your own car.
- **Calculating the taxable value** of a car fringe benefit provided by an employer.





What Are the Logbook Requirements?

To ensure compliance, a separate logbook must be kept for each vehicle for a continuous **12-week period** and should include:

- Start and end dates of the logbook period.
- Odometer readings at the beginning and end of the logbook period.
- Total kilometres travelled during the logbook period.
- Kilometres travelled for each journey.
- Odometer readings at the start and end of each subsequent income year for which the logbook is valid.
- Business-use percentage for the logbook period, based on the vehicle's business usage.
- Vehicle details, including make, model, engine capacity, and registration number.

The 12-week logbook period can overlap two income/FBT years, provided it includes part of each year. Typically, a logbook is valid for **five years**, assuming consistent business use throughout this period.



What Needs to Be Recorded in a Logbook?

For each trip, your logbook must document:

- The **date** the trip began and ended.
- **Odometer readings** at the start and end of the trip.
- Total **kilometres travelled** during the journey.
- The **purpose** of the trip.

Entries should be made as soon as possible after the trip. Avoid vague descriptions like “business trip.” The ATO requires specific details to verify the journey's purpose. For example, include additional information, such as the name of the client or supplier.

What If the 12-Week Period Is Not Representative?

If your business travel during the 12-week period is not reflective of your usual pattern, you may need to **adjust the business-use percentage** up or down.

If the business use percentage changes by more than 10%, it is considered a significant change to your travel patterns during the year. This could invalidate your logbook, requiring you to maintain a new one.



Is Travel Between Home and Work Considered Business-Related?

Generally, travel between home and your workplace is considered private, except in certain circumstances, such as:

- Your home is your primary **place of business** (not just a home office).
- You are transporting **essential bulky tools or equipment** that cannot be stored at your workplace.
- You are travelling to or from an **alternative workplace**.

Why a Logbook Is Critical

In the event of an Australian Taxation Office (ATO) review or audit, you may need to provide a copy of your logbook to substantiate your business-use claims. Ensuring your logbook is accurate and valid is crucial for supporting any deductions or claims.



Example of a Logbook Entry

Here's an example of what a valid logbook entry might look like for work-related travel:

Logbook Details

Vehicle: Toyota Corolla 2022

Engine Capacity: 2.0L

Registration Number: ABC-123

Logbook Period: 1 January 2024 – 24 March 2024
(12 weeks)

Opening Odometer Reading: 10,000 km

Closing Odometer Reading: 13,500 km

Total Kilometres Travelled: 3,500 km

Trip Records

Date	Start Odometer	End Odometer	Kilometres Travelled	Purpose of Trip	Private/ Business
01/01/2024	10,000	10,150	150	Visit client ABC Ltd	Business
03/01/2024	10,200	10,250	50	Grocery shopping	Private
05/01/2024	10,250	10,450	200	Attend supplier meeting	Business
08/01/2024	10,450	10,500	50	Travel to alternative office	Business
10/01/2024	10,500	10,700	200	Holiday travel	Private

Summary

Business Kilometres: 400 km

Private Kilometres: 250 km

Business Use Percentage:

(Business Kilometres /

Total Kilometres) x 100

$$= \frac{400}{650} \times 100$$

$$= 61.54\%$$

Key Points

- **Entries:** Must include specific dates, odometer readings, kilometres travelled, and purpose of the trip.
- **Detail:** For business trips, the purpose must be clearly described (e.g., "Visit client ABC Ltd" instead of just "business trip").
- **Accuracy:** Odometer readings should be recorded at the beginning and end of each trip.
- **Review:** This logbook must be kept for the 12-week period and used to determine the business-use percentage for claiming deductions or calculating fringe benefits.

This format ensures compliance with ATO requirements and provides clear, substantiated records for tax purposes.

