

Business Auto Deduction Worksheet

Client Name

Tax Year

General Guidance

General.

If you use your personally owned vehicle in the pursuit of a trade or business, you are allowed to deduct the ordinary and necessary expenses while operating your vehicle. However, any expenses associated with the personal use of the vehicle are not deductible.

Personal vs. Business Miles.

Business use of your car can include traveling from one work location to another work location within your tax home area, visiting customers; attending a business meeting away from the regular workplace; and traveling from home to a temporary workplace if you have more regular places of work. The costs of travel between home and a regular place of work, however, are nondeductible commuting expenses.

Standard Mileage Rate vs Actual Cost Method.

You may calculate your auto deduction using either the actual costs of operating an automobile owned by you or the standard mileage rate using a standard mileage rate issued by the IRS. Regardless of the method used, if the vehicle is driven for personal as well as business purposes, only expenses or mileage attributable to the percentage of business use is deductible. In most cases, using the mileage rate as a deduction or reimbursement is preferred over actual expenses.

Substantiation.

If you are using your car for business purposes, proper record keeping is critical. If you use the standard mileage rate, you should keep a daily log showing the miles traveled, destination and business purpose. If you use the actual cost method, you should also keep a mileage log in order to establish business use percentage. In addition, you must keep receipts, invoices, and other documentation to verify expenses. Finally, you must be able to prove the original cost of the vehicle and the date it was placed in service for business use in order to claim depreciation.

Mileage Information

Vehicle Details	Vehicle #1	Vehicle #2
Year, Make & Model of Vehicle	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>
Start Date of Business Use	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>
End Date for Business Use	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>
Odometer on Jan 1 Or Start Date	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>
Odometer on Dec 31st or End Date	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>
Personal Miles	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>
Commuting Miles	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>
Business Miles	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>

Mandatory IRS Due Diligence

Question	Vehicle #1		Vehicle #2	
Do you have another vehicle available for personal use?	Yes	No	Yes	No
Do you have written evidence or a mileage log?	Yes	No	Yes	No

Disclosure & Signature

Your signature below indicates you have written evidence to support your deduction under the substantiation requirements outlined above.

Taxpayer Signature

Date