

Keeping a vehicle logbook

Keeping a vehicle logbook is one option for working out what percentage of your vehicle running costs you can claim as a business expense.

The requirements are:

- ▶ You must keep the logbook for a full three months of a tax year.
- ▶ You need to repeat the three-month logbook recording every three years.
- ▶ The three-month period you choose must be a fair sample of your business and personal use of the vehicle.
- ▶ If the typical usage pattern changes by more than 20% (for example, you make less business use or more personal travel use of the vehicle) then you must repeat the three-monthly log book recordings.

You can buy an inexpensive Vehicle Logbook from business stationers, or make one by copying the layout of this sample logbook that records some business trips made by Ross the plumber:

Calculating business use

At the end of the three-month period, Ross is able to work out from the details he's recorded:

- ▶ The total distance he's travelled. Ross simply subtracts the opening odometer reading from the last reading: 17,525 minus 15,165 gives a total distance of 2,610 kilometres.
- ▶ The distance on business use: Ross adds up all the business travel, which comes to 360 kilometres.
- ▶ The percentage of business use. Dividing 360 by 2,610 and multiplying by 100 (to make the result a percentage) gives 13.79% (rounded to 13.8%)

Distance travelled for business: 360 km.

$$\frac{360}{2,610} = 13.8\%$$

Ross can now claim 13.8% of his vehicle expenses as a business expense. These expenses can include fuel and oil, as well as repairs and maintenance (such as a service or a new battery).

Vehicle logbook (3-month period)			1/1/08 - 31/3/08			Meter reading (at start of period):	15,165
Date	Journey		Meter reading			Reason for trip	Driver's signature
	From	To	Start	Finish	Dist(km)		
1/1/08	Workshop	Parirua	15,165	15,210	45	Business - seeing P.U. Ltd	RR
5/1/08	Workshop	Levin	15,718	15,918	200	Business - Plumber's Guild conference	RR
6/2/08	Workshop	Petone	16,485	16,525	40	Business - Supplier XYZ	RR
26/2/08	Workshop	Airport	17,525	17,600	75	Business - Errand Plane to airport	RR
			Business distance		360	Meter reading (at end of period)	17,775
						Total distance travelled (17,775 - 15,165)	2,610

Keep the logbook and pen in the car where it will remind you to record your trip each time you use the car. For example, Ross the plumber always leaves his logbook on the driver's seat, so he has to pick it up before he can actually get into the car. After a few days you'll find you automatically reach for the logbook as soon as you get into your vehicle.