

TAX TIP

AUTOMOBILE EXPENSES FOR SMALL BUSINESSES

AUTOMOBILE EXPENSES

Automobile expenses are a very high priority for CRA to audit. Therefore, it is critical that you have the following documentation in place at tax time. **A MILEAGE LOG IS REQUIRED.** CRA requires that you keep a mileage log which tracks all personal and business kilometers drove in the year. It is **EXTREMELY** important that you get into the habit of tracking your business and personal kilometers on a **DAILY** basis and total it up for the year.

AUTOMOBILE EXPENSES

TIP: Why do I want to track this? Because it increases your deduction & increases your refund!

	Amount
BUSINESS KILOMETERS	15,000
TOTAL KILOMETERS	20,000
% BUSINESS USE	75%
GAS	\$3,600
REPAIRS	\$1,000
INSURANCE	\$1,200
CAR LOAN OR LEASE PAYMENT	\$6,000
PARKING/407 ETR/AUTO CLUB	
TOTAL	\$11,800
% BUSINESS USE	75%
TOTAL DEDUCTIBLE AUTOMOBILE EXPENSES	\$8,850

FORMULA: $\$11,800 \times 75\% = \$8,850$

PLEASE USE WORKSHEET FOR AUTOMOBILE EXPENSES FOR SMALL BUSINESSES



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