





**Motor Vehicle Expenses**

**What can I claim?**

Types of expenses you can claim relating to your vehicle include:

* Repairs and Maintenance
* Insurance
* License Fees
* Registration Fees
* Fuel
* Oil
* Eligible leasing costs
* Eligible interest paid on a loan relating to the purchase of the Vehicle

**What records do I need?**

If the vehicle is only used for business purposes on an occasional basis you can claim these vehicle expenses on a per-trip basis. If your vehicle is used for business purposes and personal purposes consistently you can claim part of the total expenses. Accurate records need to be kept with supporting information including the total kilometers accumulated for business purposes. A vehicle log book should be maintained throughout the year, as this will provide the information necessary for CRA auditors if they ever review your motor-vehicle expenses.

All motor vehicle expenses claimed must be reasonable and you have receipts to support them. In order to get the full benefit from claiming these expenses you must keep a record of the total kilometers you drive and the kilometers driven to earn income. Ensure to keep a record for each trip including the date, location, purpose of trip, and number of kilometers driven. Make a note of the odometers reading at the beginning and end of each fiscal period.

The type of vehicle you own may affect the expenses you’re eligible to claim. You should know the differences between motor vehicles and passenger vehicles for your income tax purposes.

Your accountant will need the following information to complete the necessary form on your tax return (If multiple vehicles used throughout the year information and log will be required for each vehicle.

* Make, Model, and Year of the vehicle
* Date of acquisition (A copy of the purchase invoice and/or the conditional sales or lease contract would be the best information to supply)
* Date of disposition, if disposed in the year (Copy of sale invoice)

**How do I know how much to claim?**

To calculate the vehicle expenses you can claim you will want to calculate the number of kilometers driven for income purposes. You will then divide this number by the total kilometers driven and multiply is by the total operating cost for the vehicle. Your accountant will complete the information required from the information provided above to complete your claim on your income tax return for the year.