

### Vehicle Mileage Organizer (Required each year regardless of method)

Mileage Logs must be maintained to qualify for vehicle expenses related deductions. This is true regardless of the method used to calculate your vehicle expenses/deduction. Claiming vehicle expenses without adequate mileage logs will likely result in significant corrections, penalties, and interest upon review/audit. Vehicle-related expenses are considered a highly enforced area by the IRS.

Deductions for vehicle related expenses can be deducted using either (a) the standard mileage method or (b) actual expense method, there is no option c. The method used for each vehicle must be used for that vehicle for all future years once any deduction for a vehicle has been taken. If a change is absolutely necessary, please schedule a consultation to discuss the change with your preparer.

In most cases the standard mileage method works best for small business owners due to the reduced record-keeping requirements, lack of special reporting required if/when the vehicle falls below 50% business use for the first time and does not result in your having to pay tax if the vehicle becomes personal use only, sold or traded in down the road. If you want to discuss the actual expense method, please contact the office to schedule a consultation.

When claiming the standard mileage allowance, you can deduct an amount equal to the (a) standard mileage allowance for the year multiplied by the number of business use miles, plus (b) a percentage of interest paid, plus (c) a percentage of vehicle license tax paid. In order to calculate your standard mileage allowance deduction please provide all of the following:

|                     | Odometer          |                | Business Use Miles  |                          |                              |                       |
|---------------------|-------------------|----------------|---------------------|--------------------------|------------------------------|-----------------------|
| <u>Description:</u> | <u>Beginning:</u> | <u>Ending:</u> | <u>Total Miles:</u> | <u>portion of total:</u> | <u>Activity Description:</u> | <u>Interest Paid:</u> |
| Ex: 2003 Ford F250  | 125,000           | 165,000        | 40,000              | 35,463                   | Carpentry Business           |                       |
| 1. _____            | _____             | _____          | _____               | _____                    | _____                        | \$ _____              |
| 2. _____            | _____             | _____          | _____               | _____                    | _____                        | \$ _____              |
| 3. _____            | _____             | _____          | _____               | _____                    | _____                        | \$ _____              |
| 4. _____            | _____             | _____          | _____               | _____                    | _____                        | \$ _____              |

\*Parking fees & tolls for business-related trips can be added to the standard mileage deduction. Total parking/tolls: \$ \_\_\_\_\_

The above represents vehicle usage that has been documented on **mileage logs**. I will maintain these logs and be sure they are available for review in case of audit. I am aware that if this is not correct or the records are not available upon audit, I am responsible.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_