

TAX TIP

AUTOMOBILE EXPENSES FOR EMPLOYEES

AUTOMOBILE EXPENSES & T4

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.

CHECK YOUR T4 FOR THIS DEDUCTION.

If you received a mileage re-imbursement from your employer you must include this in the calculation:

- A) If the auto/mileage payment has been added to your T4, you do not have to deduct it from the auto calculation.
- b) If the auto/mileage payment has **NOT** been added to your T4 then you must deduct your auto/mileage payment from the amount above.

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: \$11,800X75%= \$8,850

PLEASE USE WORKSHEET FOR EMPLOYMENT EXPENSES



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