



Claiming Car Expenses

- You can claim a car trip as a business expense if the **primary purpose** of the trip is business
- You must keep **adequate records** to prove that you made a business trip
 - Receipt
 - Mileage log
 - Cancelled check
 - Debit/credit card statement
 - Written record
 - Calendar notations
 - Photograph
- Two methods to claim car expenses
 - Standard Mileage Method
 - Actual Expenses Method
- Standard Mileage Method
 - 57.5 cents per mile (2015)
 - Can also claim parking, tools, and business percent of car loan interest
- Actual Expenses Method
 - Can claim business percent of all expenses associated with the car, including gas, oil, repairs, insurance, depreciation, car loan interest, etc.
 - Business percent is calculated by dividing the number of business miles by the total number of miles
 - 2,000 business miles divided by 10,000 total miles = 20%

For further information: *Family Child Care Record Keeping Guide* and annual *Family Child Care Tax Workbook and Organizer* (Redleaf Press – www.redleafpress.org).

This handout was produced by Think Small (www.thinksmall.org). For additional family child care business publications, contact Think Small's publishing division, Redleaf Press, at 800-423-8309 or visit www.redleafpress.org.