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:
    o 2,000 business miles divided by 10,000 total miles = 20%


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