

AUTOMOBILE INFORMATION

Make and Model _____

Date Acquired _____

Date First Used For Business _____

Odometer on First Day of Year _____

Odometer on Last Day of Year _____

Interest Paid on Auto Loan _____

OTHER "PERIODIC" AUTO EXPENSES

[illegible]

AUTO, TRAVEL & BUSINESS EXPENSE RECORD

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Suburban
Companies

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Record For

Year

HOW TO KEEP YOUR EXPENSE RECORD

1 AUTO EXPENSES for traveling between business locations are deductible. Commuting between your home and office each day or between your residence and one or more regular places of business is not deductible and should not be recorded as business miles. Thus, if you have at least one regular place of business, the daily transportation expenses in going between your residence and temporary work locations are deductible regardless of the distance. Record all miles to temporary job locations as business miles. Your auto expense deduction is based on the number of business miles you drive. Since your deductions may be significantly greater if you use your vehicle more than 50% for business, accurate records of your business mileage are very important. **KEEP SEPARATE RECORDS FOR EACH VEHICLE YOU USE IN BUSINESS.**

Document each business trip and actual vehicle expenses in your record book by:

- Entering the date and business purpose of each trip
- Noting the place, destination, or locations to which you traveled
- Recording the number of business miles you drove
- Recording expenses for gas and oil, maintenance and repair, and wash/wax expenses on a daily basis. Use the back cover of this booklet to record periodic expenses for insurance, license, registration, taxes, loan payments, lease fees, etc.
- Recording the total number of miles you drive the auto during the year (change in odometer)

Your actual deduction is computed using either 1) the business portion of your actual expenses for operating the vehicle or 2) the government's "standard mileage rate" for each business mile you drive. Actual expenses often provide a higher deduction than the "mileage rate," so try to keeping a record of your actual expenses even if you've used the cents-per-mile method in the past. In certain situations, you may not use the "standard mileage rate" to calculate your deduction. If you own two or more vehicles that are used **AT THE SAME TIME** in your trade or business, your deduction **must** be calculated using actual vehicle expenses. Actual expenses must also be used if you ever depreciated your vehicle using ACRS/MACRS.

2 ENTERTAINMENT refers to business related entertainment, amusement, or recreation. It includes business meals (both meals and drinks in restaurants, bars, and at home), parties, receptions, sporting events, theatres, night clubs, vacations, etc. Expenses associated with the entertainment, such as tips, taxes, parking charges, nightclub cover charges, and room rental for a cocktail parties are considered part of the entertainment expense. **To be deductible, your entertainment must meet the following strict tests:**

1. The entertainment must be ordinary and necessary in the conduct of your trade or business
2. A substantial, bona fide business discussion, negotiation, transaction, conference, or other activity must take place immediately before, during, or after entertainment activity

Document each Entertainment Activity in your record book by:

- Entering the date and business purpose
- Noting the place or location where the entertainment took place
- Recording the specific business discussion, negotiation, transaction, conference, or other activity that was related to the entertainment, and whether it took place immediately before, during, or after the entertainment

Date	Business Purpose, Description, Location, Destination, Etc.	Business Mileage		Auto Expenses			P a r k i n g	
		Odometer Reading		No. Miles	Gas Oil	Maint Repair		Wash Wax
		Start	Finish					
BALANCE FORWARD				3176	327.78	173.50	27.50	
4-12	S.T.V. INC. - ANAHEIM	31847	31902	55	20.15			
	DELIVER/SIGN CONTRACT							
	JIM ANDREWS, PRES.							
4-13	FLY TO SACRAMENTO	31912	31928	16				
4-14	SALES APPT. ACE SUPPLY	31928	31944	16			4.50	

3 GIFTS for business purposes are deductible if they are ordinary and necessary in your trade or business. **QUALIFIED RECIPIENTS** include customers and clients where a direct business relationship to income can be shown. Usually gifts to subordinates are allowed only if you can show that your earnings directly depend upon how much your subordinates produce. Gifts to relatives, co-workers, associates, government employees, and officials are generally not allowed. The deduction for a gift is limited to \$25.00 per person per year. Items costing less than \$4.00 that have your name permanently imprinted, and are one of a number of identical items you widely distribute, don't count toward the \$25.00.

Document the Gift Expense in your record book by:

- Entering the date and business purpose and description of the gift
- Noting the name and business relationship of the person receiving the gift
- Recording the actual expense for the gift

4 OUT-OF-TOWN EXPENSES are the ordinary and necessary expenses of traveling away from "home" overnight in pursuit of your employment, trade, or business. Your "home" is generally considered to be the entire city or general area where your principal place of business or employment is located. Out-of-town expenses include:

TRANSPORTATION by air, bus, taxi, car rental, etc.

MEALS for yourself when you are out of town overnight and are not entertaining business customers or clients

LODGING at a hotel, motel, etc.

OTHER includes valet services, laundry, porter, etc.

TIPS paid in conjunction with deductible business expenses are also deductible and should be included within the total of the expense incurred

Document each "Out-of-Town" Trip in your record book by:

- Entering the date and business purpose of each trip
- Noting the place, destination, or locations to which you traveled
- Recording the number of business miles you drove (if you drove)
- Recording the actual expenses for transportation, lodging, and meals separately. If a receipt for lodging includes meal expenses, they must be listed separately

5 RECEIPTS need to be maintained for each lodging expense, no matter how small. However, if any other business expense is less than \$75 a receipt is not necessary if you record all the information in the record book. You must keep track of the full amount of your entertainment and meal expenses, even though only a portion of your meal expenses are deductible.

CAUTION
THE FOREGOING IS AN ABBREVIATED SUMMARY OF THE REGULATIONS FOR BUSINESS TRAVEL. FOR ADDITIONAL DETAILS AS TO SPECIFIC BUSINESS EXPENSES, THE RECORDS REQUIRED, AND THE VARIOUS GOVERNMENTAL REGULATIONS, CONSULT YOUR TAX ADVISOR.

Business Expenses					Out-of-Town Expenses			
Parking	Entertainment & Meals	Phone	Gifts	Other	Transportation	Lodging	Meals	Other
15.00	219.22	8.32	15.00		128.00	129.00	89.60	16.00
DINNER					AIRFARE			SKYCAP
	54.29			POSTAGE	189.00	85.42	21.10	
9.00		3.20		.75	63.50		9.80	4.50
					CAR RENTAL			

