

## Vehicle Expense Worksheet

Please use this worksheet to give us your vehicle expenses and mileage information for preparation of your tax returns.

Please download, open in Adobe, complete and securely upload the PDF to your client portal. Please do not email this worksheet since it contains sensitive information. You can access your client portal here-

[www.watsoncpagroup.com/portal](http://www.watsoncpagroup.com/portal)

**Caution:** many browsers will give you the warm fuzzy that your information is being saved however when we receive it, the PDF is blank. As such, please download first and then open with Adobe, rather than using your browser.

### Worksheets Available

Here is a list of our worksheets. As mentioned before, you do not have to replicate data that is available elsewhere. For example, mortgage interest and real estate taxes reported on Form 1098 do not need to be entered again with our worksheets. Let's keep life simple and easy for you; that's why you hired us.

Contact Info	Used for basic contact information	<a href="http://www.wcgurl.com/60">www.wcgurl.com/60</a>
Dependents	Used for dependents and dependent care	<a href="http://www.wcgurl.com/61">www.wcgurl.com/61</a>
Education	Used for education expenses, student loans, 529	<a href="http://www.wcgurl.com/62">www.wcgurl.com/62</a>
Deductions	Used for moving, medical, local taxes, home, charity, IRA	<a href="http://www.wcgurl.com/63">www.wcgurl.com/63</a>
Small Business	Used for LLCs and S Corps to report income and expenses	<a href="http://www.wcgurl.com/64">www.wcgurl.com/64</a>
Rental Property	Used for rental property income and expenses	<a href="http://www.wcgurl.com/65">www.wcgurl.com/65</a>
Auto Expenses (this one)	Used for actual expenses and mileage information	<a href="http://www.wcgurl.com/66">www.wcgurl.com/66</a>
Home Office	Used for home office deductions	<a href="http://www.wcgurl.com/67">www.wcgurl.com/67</a>
Property Sale	Used for reporting real estate sales, home and rental	<a href="http://www.wcgurl.com/68">www.wcgurl.com/68</a>
ExPat	Used for expatriates to report foreign income, dates	<a href="http://www.wcgurl.com/69">www.wcgurl.com/69</a>
Annual Questionnaire*	Used for tax questions including retirement contributions	<a href="http://www.wcgurl.com/70">www.wcgurl.com/70</a>

\* Everyone is strongly encouraged to review the annual questionnaire. As tax laws change from year to year, we need to ask questions to ensure you are getting the most out of your tax returns.

### Person Submitting form

Your Name \_\_\_\_\_ Cell Phone \_\_\_\_\_

Primary Email \_\_\_\_\_

Tax Year \_\_\_\_\_ Date Worksheet Completed \_\_\_\_\_

Is this an update to a previously submitted worksheet?      Yes      No

### Tax Cuts and Jobs Act 2017

Traveling salespeople and other W-2 employees who historically deducted mileage on Form 2106 as a unreimbursed expense are no longer allowed to deduct mileage. A company may still reimburse you up to the mileage rate without it being considered income to you, but any difference cannot be deducted due to the recent tax reform (sorry).

### S Corp Owners

Do not complete this worksheet. Use the Accountable Plan Reimbursement form-

[www.wcgurl.com/21](http://www.wcgurl.com/21)

If you need help or have questions, please email or call us. We'll jump on the phone and walk you through Accountable Plan and how it works.

### Mileage Information

	Vehicle #1	Vehicle #2
Year, Make and Model	_____	_____
Start Date for Business Use	_____	_____
End Date for Business Use (if applicable)	_____	_____
Odometer on Jan 1 or Start Date	_____	_____
Odometer on Dec 31 or End Date	_____	_____
Personal Miles	_____	_____
Commuting Miles	_____	_____
Business Miles*	_____	_____

\* Business miles will be the difference of ending odometer less starting odometer, personal miles and commuting miles.

**Note:** We need total miles driven (beginning and end odometer readings). In other words, we need more than just the business miles. Why? Good question. Auto registrations, taxes and loan interest can be added to the mileage deduction but only the business use percentage. As such we need total miles and business miles.

### Business Connection

Briefly describe how this vehicle(s) is used in conjunction with your non S-Corp small business below-

### Actual Expenses

Do you think your actual expenses will exceed the mileage rate (currently 54.5 cents per mile for 2018)? Before you say Yes, consider that you can only deduct the business portion of your actual expenses. For example, you drive 10,000 miles and 2,500 miles were for business, a total of 25%. A set of tires for \$800 will only yield a \$200 deduction (25%). Having said this please list your costs associated with gas, oil, tires, service and repairs, modifications, insurance, lease payments and titling below-

Generally speaking, the mileage rate will still exceed actual expenses, but we can deduct the higher of the two. **If you deduct actual expenses in any tax year, you cannot switch back to the mileage deduction.** Regardless, you still must submit the miles above in addition to expenses.

### Mandatory IRS Due Diligence

Do you have another vehicle available for personal use?	YES	NO
Do you have written evidence or a mileage log?*	YES	NO
Were you reimbursed for any travel expense including mileage?	YES	NO
Is the vehicle(s) in your name (or spouse) or business?	ME/SPOUSE	BIZ

### Mileage Log

Mileage is one of the most incorrectly deducted expenses, and therefore it is one of the most scrutinized by the IRS. Easy money for them. First, you need to prove you own the vehicle(s). Next, you need to keep track of your beginning and ending odometer readings, and have that data corroborated by service receipts. Therefore, it is a good idea to make copies of service invoices such as Jiffy Lube since these companies record odometer readings. Lastly, you need to keep track of the date, the business miles driven and the business connection.

We do not normally need to see your mileage log. In some cases, we might. We always suggest using a smartphone app to track your mileage via GPS which also emails you a mileage log compilation. Very nice. Remember, a written log is required to be maintained by you, and can be requested anytime by the IRS during an examination. Memories grow short- keep up with this requirement.

### Lease

Leased vehicles have a lease inclusion which reduces your deduction by a few dollars. But, this inclusion only affects you if you use actual expenses versus the mileage rate. If you believe your actual expenses will exceed the mileage rate, AND this vehicle is leased, please provide the purchase price, the purchase date, and the term (length) of the lease below-

### Loan Interest, Taxes

Even if you use the mileage rate as your method of deduction, the loan interest paid on your vehicle is deductible to the extent of business use. For example, if your interest was \$5,000 and the business use was 10% (using miles) then you receive another \$500 deduction on top of your mileage rate. Wait! There is more. We deduct the tax portion of your auto registrations with your mileage deduction to reduce your self-employment taxes even more. Therefore, we need two numbers. We need the loan interest paid on your vehicle for the tax year and the taxes associated with your auto registrations below-

## Disclosure

I(We) verify that the information provided in this **Vehicle Expense Worksheet** is accurate and complete. I(We) understand it is my(our) responsibility to include any and all information concerning income, deductions and other information necessary for the preparation of my (our) personal income tax return.

Taxpayer Signature \_\_\_\_\_ Date\_\_\_\_\_

Printed Name \_\_\_\_\_

Spouse Signature \_\_\_\_\_ Date\_\_\_\_\_

Printed Name \_\_\_\_\_

Please call or email us anytime with your questions and concerns. Thank you in advance, and we look forward to working with you!

The Watson CPA Group