



## e-News

Monday, 12th February 2024

Newsletter No 129

# Claiming Car Expenses using the Cents per Kilometre Method



When it comes to preparing for tax time, particularly if you're considering claiming car expenses on your tax return for the **cents per kilometre method**, it's important to understand the specifics of this approach. Therefore, pay careful attention to the following key points which are pivotal as you assess your potential deductions:

- For the upcoming 2023-24 income year, the Australian Taxation Office (ATO) has stipulated that the fixed rate is set at **85 cents per kilometre**. This standardized amount is determined by them each year and can change, so it's always important to stay updated with the latest rate.
- There's a ceiling when it comes to the number of work-related kilometres you can claim for each vehicle; **the cap is set at 5,000 kilometres**. Nonetheless, don't forget that you must have adequate documentation to substantiate these kilometres. This could include diary entries, timesheets or dated photographs that provide a reliable indication of the distance travelled for work purposes.
- It's important to note that the prescribed rate comprehensively covers all car expenses. This extends to the decline in the value of your vehicle, the cost of registration, insurance premiums, general maintenance, any repairs undertaken throughout the year, as well as the expense of fuel. Given that this rate is inclusive of these costs, you are not permitted to claim these car-related expenses separately on your tax return.

Should you need further details, please visit this resource on the ATO website: [ato.gov.au/carexpenses](https://ato.gov.au/carexpenses).

## In Other Bookkeeping\_BAS News...

**Our Key Dates Page has been Updated for Q3 2023-24** - [see here for important due dates](#).

**Can I Claim the GST on That page updated:** Some new items have been added to this list including reimbursements to employees, motor vehicle sales and purchases, and export of goods for consumption and use outside of Australia.

**Fuel Tax Credits Increase:** From 5 February, the rates for fuel tax credits were increased in line with the fuel excise duty indexation. Use the fuel tax credit calculator to correctly calculate your claims according to the duty rate for the relevant period. <https://bit.ly/42yHIAs>

**Next BAS due date:** The next quarterly BAS for **October to December 2023**, is due by **28th February 2024**. This applies regardless of the way you or your agent lodge BAS.

**Next IAS due date:** The next monthly IAS for **January 2023**, is due by **21st February 2024**.

**Your Online Services - you will Control who has Access from 13 Nov:** If you engage a new agent, change to a new agent, or need to make changes to what your agent is authorised to do for you, you will need to go through the Agent nomination process. [Read more here for further details](#).

**PayDay Super is Coming:** From 1 July 2026, employers will be required to pay their employees' super at the same time as their salary and wages. This will be known as "Payday Super".

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### **Upcoming Changes to Workplace Laws**

Fair Work frequently updates payroll rules, and the current situation is no exception. Numerous aspects of payroll have recently changed or will soon change. For more information, please read our blog.



### **Bookkeeping & Tax Podcasts I Love!**

Here's a list of my favourite bookkeeping/tax podcasts.



### **How To Series No 1 – How To Enter An Insurance Bill**

Learn how to enter an insurance bill into your accounts the right way!

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