



TRAVEL LOGBOOK

Another useful tool from SARS

INTRODUCTION

Calculating a travel deduction if you are in receipt of a travel allowance

The income tax system allows taxpayers who receive a travel allowance to claim a deduction for the use of their private vehicle for business purposes. It is important to note that travel between your home and place of work cannot be claimed and is regarded as private travel.

In order to claim a deduction, the first step is to record your vehicle's odometer reading on 1 March each year (the first day of the tax year for individuals) and again on the last day of February the next year (the last day of the tax year for individuals). These opening and closing readings give you your total kilometres travelled for the year.

Without these readings, you cannot claim a tax deduction!

Once you have taken down these readings and worked out your total travel for the year, you can start calculating your travel deduction.

First you need to calculate what portion of the total kilometres travelled was for business use and what portion was for private use.

There are two methods to calculate the business kilometres travelled:

1. You can make use of the deeming provisions where the first 18 000 kilometres travelled will be deemed as private kilometres travelled. In this method you do not need to keep a record of travel but must still record your opening and closing odometer readings. Using this method you may only claim a maximum of 14 000 kilometres for business purposes a year.

Note: from 1 March 2010 this method will no longer be available and all taxpayers will have to keep a logbook.

2. You can keep a logbook of all your travel in which you record what travel was for business and what travel was for private purposes. Using this method there is no limit on the amount of kilometres you claim for business purposes.

Now you are ready to calculate the amount of your claim.

As a taxpayer you again have two choices:

1. You can calculate your claim based on the table of costs supplied by SARS each year (On the next page of this logbook you will find the cost tables which apply to the tax year between 1 March 2009 and 28 February 2010).

By using this method you do not have to keep an accurate record of all your expenses and simply use the costs linked to the value of your vehicle.

2. You can calculate your claim based on actual costs. Using this method you must have kept an accurate record of all your expenses during the year including fuel, maintenance and lease costs.

You do not have to keep a logbook this year. But if you do and record all your details of travel and expenses during the year it gives you the option when you submit your tax return to choose which method of calculation you want to use.

And remember that from next year you must keep a logbook to claim a tax deduction for business mileage.

Please note that you must retain your logbook for a period of at least five years as you may be required to submit it to SARS for verification of your claim.

The South African Revenue Service reserves the right to audit and query the content or information recorded by the taxpayer in any logbook.

Fixed Cost Table: 1 March 2009 - 28 February 2010

Rates per kilometre which may be used in determining the allowable deduction for business travel, where no records of actual expenses are kept.

Value of the vehicle (including VAT) (R)	Fixed cost (R p.a.)	Fuel cost (c/km)	Maintenance cost (c/km)
0 - 40 000	14 672	58.6	21.7
40 001 - 80 000	29 106	58.6	21.7
80 001 - 120 000	39 928	62.5	24.2
120 001 - 160 000	50 749	68.6	28.0
160 001 - 200 000	63 424	68.8	41.1
200 001 - 240 000	76 041	81.5	46.4
240 001 - 280 000	86 211	81.5	46.4
280 001 - 320 000	96 260	85.7	49.4
320 001 - 360 000	106 367	94.6	56.2
360 001 - 400 000	116 012	110.3	75.2
exceeding 400 000	116 012	110.3	75.2

Note:

The fixed cost must be reduced on a pro-rata basis if the vehicle is used for business purposes for less than a full year.

Of the actual distance travelled during a tax year, in the absence of a log book, it is deemed that the first 18 000 kilometres travelled are for private purposes

and the balance, but not exceeding 14 000 kilometres, are travelled for business purposes.

60% of the travelling allowance must be included in the employee's remuneration for the purposes of calculating PAYE.

Alternative

- Where the distance travelled for business purposes does not exceed 8 000 kilometres per annum, no tax is payable on the reimbursement paid by an employer to an employee, up to the rate of 292 cents per kilometre regardless of the value of the vehicle.
- This alternative is not available if other compensation in the form of an allowance or any other reimbursement is received from the employer in respect of the vehicle.

Note:

The rates in the Fixed Cost Table are adjusted annually. The rates in the table on this page relate only to the 2009/10 tax year i.e. from 1 March 2009 - 28 February 2010.

For the rates for other tax years please consult the SARS website (www.sars.gov.za), the SARS call centre 0800 00 SARS (7277) or your nearest SARS branch office.

Date	Opening kms	Closing kms	Total kms	Private kms	Business kms	Business Travel Details (where, reason for visit)	Actual Fuel & Oil Costs (R)	Actual Repairs & Maintenance Costs (R)
TOTAL								

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