

## How to Keep a Record of Business Mileage

It's not as bumpy a ride as you may think.

<http://junewalkeronline.com/info-advice-for-indies/business-expenses-write-off-wrap-up/how-to-keep-a-record-of-business-mileage/2/2012>

[Two Ways To Calculate Auto Expense](#) explains the two methods for calculating auto expense. Well, regardless of which method you use you will need to know the total business-use miles for the year.

If you use *the actual method* you will need to do a little more work. In this case you'll also need to know the total mileage for the year for the vehicle.

And, if you use more than one car for business, you will need these figures for each car used for business.

If you have any questions about what constitutes business use of your car review the columns and posts listed at the end of this article.

### Easy How-to For Recording Business Mileage

Let's start on New Year's Eve! A little assignment before you head out to the party: Get the mileage reading on your car from the odometer and write it in your calendar.

Next assignment: on the following New Year's Eve, once again **before** you go out (because you'll never remember in the morning) write that mileage reading in your calendar.

Completing those two assignments gives you a beginning and ending mileage reading for the year so you know how many miles you put on your car for the year. Now let's see what you do between parties.

As long as accuracy is your goal, the method used is unimportant. Choose the routine that suits you and your business. Patti Partyplanner, who runs all over the state checking party and convention sites, and comparing prices of supplies, and listening to bands, will have a very different method of calculating business mileage than will Rob Rolf who rarely needs to leave his massage studio. Let's look at the different ways that they, and Lily Legal, figure out business miles.

- Massage therapist Rob Rolf uses his car for business only once a month to buy supplies. All he has to do is to check the mileage from studio to supply house and back and multiply it by 12 and he's got his total business miles for the year.
- Lily Legal goes to the court house twice a week. She has an occasional trip to a client's office. Like Rob Rolf she does the multiplication thing to figure her court house appearances — two trips times 48 weeks (she takes off four weeks a year to go to Aruba). And she uses her appointment calendar to determine which clients she met with

at their offices. Around early December she has her clerk figure the miles from her office to each client. He writes the mileage in her appointment book and tallies them up. He adds that to her court appearance mileage for total business use mileage.

- Patti Partyplanner spends much of her day in what she calls her “business” car. She was distraught at the cumbersome way her former tax preparer told her to calculate business miles. Sammy Segar CPA told her to write down the odometer reading every morning – 79,814.5 – and then at the end of the day write down the new reading – 80,013.6 – and then subtract. 199.1 miles. What a bother! By day’s end she was so tired that she often made mistakes in arithmetic.
- Patti has another car — bigger, with a child-seat, devoid of the clutter of her business car. She uses that one for just about all family errands. Patti came up with a much easier way of calculating business miles. She does her New Year’s Eve notations in the calendar. But then instead of writing down all her business miles she just notes in her calendar the few occasions she uses the business car for personal errands. She deducts her personal miles from her total miles to come up with a business use figure.

As you can see from the above examples, there is no set way to keep a mileage record. Use a method that suits you.

### **Here’s An Easy Straightforward Method**

A safe assumption: you use your e-calendar or appointment book to note your activities, appointments and, possibly, errands. It clearly – but not necessarily neatly – shows things like printer on Monday; Tuesday, Town Library; Thursday at 2, meeting with C. Client; Saturday, marketing workshop; PTA meeting the second Monday of every month; Wednesday, client presentation.

After a business appointment, whether it’s driving to the printer’s and back or a client meeting, upon returning to your office or home studio or workshop, you jot down the mileage on the calendar.

Well, that’s what you’re supposed to do. But you know how it goes: at times it has slipped your mind, or you hadn’t time because you had to get somewhere else. So in a week or a month or at year’s end with your appointment book or e-calendar in front of you you’ll see that you met with the printer on that day. If you don’t know the mileage to the print shop go to Google Maps [need link] or MapQuest or ask your wife, who knows the mileage to every place in the county. Then write the mileage in your calendar.

Any kind of paper calendar, appointment book, or e-calendar will do. Whatever you are comfortable with. I don’t recommend a mileage log separate from your appointment record method. That’s just another thing to keep track of and it’s double work to jot down your appointment in your calendar and a second time in your mileage log. Forget it! Write your

mileage on the calendar that you use for all the other events and meetings going on in your life — that way you won't miss any business mileage.

At the end of the year add up — using a calculator that has a tape — the business miles that you noted or logged in your calendar. By the way, if you know that at least once a month you run to the office supply store or the Quick-Send postal drop once a week but don't write these errands in your calendar then multiply the trip mileage by the appropriate number of trips per year to come up with more miles to add to your calendar-logged totals.

Many solos who work at home cheat themselves in business mileage. They forget that before picking up the kids at daycare they went five miles in the other direction to pick up new business cards at the printer.

If your New Year's numbers showed a total of 20,000 miles and your calendar totals 15,000 business miles then you know that 75% (15,000 divided by 20,000) of your car was used for business. That enables you to deduct 75% of your entire year's worth of car expenses and will also get you a 75% write-off of the cost of your car.

### ***Careful!***

A word of caution on where to keep your calendar. If your date book is stolen, or mislaid forever, or your e-calendar wasn't backed-up, you've lost your entire year-to-date records. If you must take your date-book with you everywhere, then at the end of each month tear out that month and leave it back at the office or in your desk at home. Or copy it. In this way if your calendar disappears you've lost only the current month. If it's on computer, back it up.

In the event of an audit the IRS will want to see your appointment calendar. For psychologists and reporters and other professions where confidentiality is a concern, should you be audited: photocopy your calendar and black out all confidential information on the copy you show to the IRS.

### **What If You Missed New Year's Eve?**

How does the IRS check the mileage figures you use? Well, in an audit they'll ask for auto repair receipts. Most repair receipts have the odometer reading at the time of the repair written on the receipt. If you forget to check your mileage reading on New Year's Eve check a recent repair slip and make a guesstimate.

