

Robert FAHN



**Wirtschaftsprüfer
Steuerberater**

Prüfer für Qualitätskontrolle §57a WPO

Ridlerstrasse 33, 80339 München

Tel.: +49 89 5997679-3

Fax: +49 89 5997679-55

E-Mail: kanzlei@kanzlei-fahn.de

Internet: www.kanzlei-fahn.de

How to Correctly Keep a Logbook

In principle, the expenses for a company vehicle (depreciation, insurances, tax, running costs) are business expenses in full. Should the employer allow an employee – with regard to the employment relationship – to use a company vehicle free of charge for private purposes, too, the same rules apply.

The use of the vehicle for private purposes (travel between home and place of work as well as other private travel) can be proven by a correctly kept logbook. The expenses for the vehicle that can be attributed proportionately to private travel increase the income.

If no logbook is kept or if a logbook is not kept correctly, the private use of the company vehicle for private travel is set at 1 % per month of the domestic list price at the time of the vehicle's first registration plus the cost of special features and including value added tax. For travel between home and place of work a further 0.03 % per month and per kilometre of the one-way distance is added.

For the tax office to accept the logbook, it is advisable to adhere to the guidelines of the tax authorities.

These are:

- The entries must be made **continuously**, i.e. timely. Therefore, it is not sufficient to draw up the logbook "in one go" at the end of the year on the basis of records.
- The keeping of the logbook cannot be limited to a representative period of time. It has to be kept **without any gaps** for the whole calendar year.
- The keeper of the logbook always has to decide on and adhere to one of the methods (logbook or "1 % rule") for a whole calendar year; the method cannot be changed with regard to a specific company vehicle during the calendar year. Only if the company vehicle is replaced, the method may also be changed. The method can be changed at the end of the calendar year.

The logbook has to contain the following **data**:

- **For travel on company business:**

- Date
- Mileage at the beginning and at the end of each external activity (business travel, occupation with varying places of deployment, travelling occupation)
- Destination
- Itinerary – only in case of detours
- Purpose of travel
- Business associates visited on travel

- **For private travel**

In this case, the mileage and the term “private travel“ are sufficient.

- **For travel between home and place of work:**

The short entry “home-place of work“ is enough.

As **purpose of travel**, general statements such as „calling on customers, authorities, visiting patient“ are not sufficient. The exact reason for the journey has to be given, e. g. “Sales talk regarding object...”

The business associate has to be identified by name; if required, you have to be able to supply the address at any time, too.

The logbook is supposed to prove how high the share of private travel and travel between home and place of work is in the total mileage. Instead of a logbook, a vehicle performance recorder or an electronic logbook may be used if it follows the abovementioned guidelines.

An **electronic logbook** is to be accepted if it allows the same conclusions to be drawn from it as a manually kept logbook. It has to be ensured that subsequent alterations of printed electronic records are technically impossible (!) or at least documented.

Should you prove **business travel** with the logbook, please do not forget to also record the so-called additional food expenditures.

Should you occasionally use a **private vehicle** for business purposes (less than 50 % of the total use of the vehicle), it is not necessary to keep a complete logbook or to apply the “1 % rule“. In this case, it is sufficient to record the kilometres driven on company business. For these records, the individual data described above are necessary, however. You can deduct the kilometres driven on company business for tax purposes at a rate of 0.30 EURO per kilometre.

We wish you a pleasant journey