



The IRS allows two ways to take deductions for the use of business vehicles. Each method for tax deduction has its advantages and disadvantages depending on individual circumstances. Some factors to consider when choosing the best method:

- How many business miles you drive in a year
- The value of the vehicle
- Your ability and tendency to maintain proper recordkeeping

The table below summarizes the two deduction methods, Expense vs. Standard Mileage.

Expense Method <i>Qualified expenses based on business-use %</i>		Standard Mileage Method <i>based on actual business-use mileage</i>
Registration	Gas	2024 Tax Year 67¢ / mile
Insurance	Repair	
Fees	Oil	
Depreciation	Tires	
Lease / Loan Payment	Washes	

- If you begin using the Expense Method in the first year with your vehicle, you are required to continue to use the expense method for that vehicle; you are not allowed to change and use the standard mileage method in future years.
- If you begin using the Standard Mileage Method in the first year with your vehicle, you may switch to Expense Method for that vehicle in future years.
- If you use the Expense Method, you will need to keep records of expense receipts for all qualifying expenses, including gas receipts and a record of your business miles.
- If you use the Standard Mileage Method, you will need to keep a record of your business miles, including date, trip purpose, and trip mileage. There are several apps available to help track miles.