

Dear Client:

The tax law contains no reasonableness test for mileage.

In fact, tax code Section 274 specifically discards the reasonableness standard and puts in its place strict substantiation rules.

We recommend that you keep a mileage log for at least three consecutive months to prove your business-miles percentage. The three-month log concept comes from the IRS sample method described in its regulations. You then apply this three-month percentage to either

- your actual car expenses for the year, or
- your mileage for the year (if you deduct your vehicle using IRS mileage rates).

My message here is simple: keep a mileage log. You can use an app for this.

Sincerely,