

TAX CHECKLIST FOR TRUCKER OWNER OPERATORS: COURTESY OF CERTIFYABLE.COM

# OWNER OPERATOR TRUCK DRIVER

## TAX TOOLKIT & CHECKLIST



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## INTRODUCTION

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As an owner operator it's common to purchase work-related items and pay for them yourself. And these out-of-pocket expenses are often valid tax deductions for owner operators, and claimable on your next tax return.

## COMMON TAX DEDUCTIONS FOR OWNER OPERATOR TRUCK DRIVERS

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While each individual is different, the items below are usually classified as tax deductions for owner operators. Remember, you'll need to keep receipts and documentation for any expenses you claim.

- **Memberships and union fees:** If you pay a membership fee to an industry body or if you pay dues to a union, you can claim these costs.
- **Stationery:** This includes planners, logbooks, workbooks etc.
- **Computer/Laptop:** If you have to use your personal computer or laptop for work, you can claim depreciation costs for these items (based on a percentage of legitimate work-related use).
- **Mobile phone:** You can claim a percentage of your mobile phone bill if you use your mobile for work related phone calls.
- **Subscriptions:** Subscriptions to industry and trucking magazines, books and journals used to keep your knowledge current are claimable.
- **Home office expenses:** You can claim a percentage of costs such as internet and land-line if you have to work from home.

### OWNER OPERATORS MAY ALSO DEDUCT EXPENSES FOR:

- Vehicle expenses, such as tolls, parking, maintenance, fuel, registration fees, tires and insurance
- Flat-rate taxes

- Travel expenses, if incurred while being away from your tax base
- Licenses and regulatory fees
- Specialized work gear, such as goggles, boots or protective gloves
- Electronic devices, if only used for work
- Sleeper berth equipment, such as an alarm clock, bedding, curtains, cooking equipment and first aid supplies
- Work related fees for drug testing, DOT physical and a sleep apnea test (If required for work)
- Fees paid to a dispatch service
- Leasing costs

### IF YOU'VE BEEN REIMBURSED, DON'T CLAIM IT.

Truckers under authority are sometimes reimbursed for costs. And if this is the case for you, you can't claim the expense as a tax deduction. Remember, legitimate IRS tax deductions for owner operators only include expenses you've paid for yourself where you haven't received a reimbursement.

### PER DIEM EXPENSES

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While you can track each expense while you're on the road, you may also use a per diem, which eliminates the need to prove the actual costs of your expenses when you're away from home. However, you do need to prove you are working away from your tax base. The most current rates are listed in the IRS Publication 1542, Per Diem Rates. To claim the per diem rate, drivers must:

- Itemize their tax deductions.
- Have a tax home.
- Be subject to HOS regulations.
- Meet the overnight rule. Essentially, this means that a driver cannot complete a trip within a single day.

- Maintain documents that they were away from home for every day a per diem is claimed.

Per diem covers meal expenses and incidentals, such as tips and fees. You should still keep receipts for hotels, showers, laundry and other costs. These expenses are deductible.

## MAINTAINING GOOD RECORDS

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Self-employed truck driver tax deductions are a great way to help reduce your tax bill, but you do need to substantiate these expenses. Here are some suggestions to help you stay organized through the year:

- Keep a file to sort receipts by month or by trip. Don't just put all your receipts into a folder and expect to sort them out in January. Spend a few minutes each week organizing your information to be ready at tax season.
- Store log books in the Cloud and on a hard drive. Dropbox and Google Drive are just two secure places to store your information.
- Use an app to maintain receipts and trip information or make notes on each receipt to help you stay organized in case your filing system becomes messy.



## A HANDY CHECKLIST FOR OWNER OPERATORS TO HELP YOU COLLECT TOGETHER ALL THE RECEIPTS, TAX INVOICES AND SUPPORTING DOCUMENTS YOU'LL NEED TO DO YOUR TAX RETURN.

### INCOME

- 1099s
- Pensions or government payments/allowances
- Interest earned for the relevant year from your banks, building societies etc.
- Dividend statements
- Details of rental property income
- Details of any business income
- Details of any other income earned

### EXPENSES

- Protective items (overalls, goggles, gloves, non-slip shoes)
- Itemized purchase costs of tools and equipment UPTO \$300
- Purchase costs of equipment, used for your job, costing MORE than \$300. (laptops etc.)
- Leasing costs of work related tools and equipment
- Repair/maintenance costs of trucks
- Interest on loans taken out to purchase work related equipment
- Job related self-education expenses
- Agency, association fees
- Memberships, journals and subscriptions
- Fuel costs

### GENERAL WORK EXPERIENCE

- Travel expenses (flights, taxis, train and bus fares for training courses, trade fairs etc.)
- Accommodation/Food costs while working away from home
- Phone costs (for work usage)
- Work percentage of computer/laptop expenses (Lease or purchase)
- Work percentage of internet costs
- Home office running expenses
- Work related self-education expenses

### OTHER EXPENSES RECORD

- Last year's tax return fee
- Income protection insurance premiums (paid outside of Superannuation)
- Rental property expenses (e.g. rates, property management fees, agent fees, interest on loan, repairs and maintenance, water rates, depreciation schedule)
- Investment expenses (For example: bank fees, financial advisors' fees, investment borrowings etc.)
- Records of sales and purchases of any shares, business or property
- Private health insurance details
- Spouse details
- Children's details including D.O.B and Social Security Numbers
- Details of any government debts (Child support, etc.)
- Charity donation