

ASSOCIATE MOTOR VEHICLE LEASE FACT SHEET

An associate lease is structured, for tax purposes, in much the same way as a novated lease. The main difference is that an associate of the employee (usually a spouse or other family member) acts in the capacity of the leasing company.



The associate leases their car to the Employer who then makes it available to the employee. The car may be driven by the employee or their Associate and is not required to travel any business related kilometres.

The associate earns income from the arrangement in the form of the lease payments. This income is taxable in the hands of the Associate and must be declared on the Associate's tax return at the end of the financial year.

However, the Associate is able to offset this income by deducting all running costs in relation to the operation of the vehicle (see below).

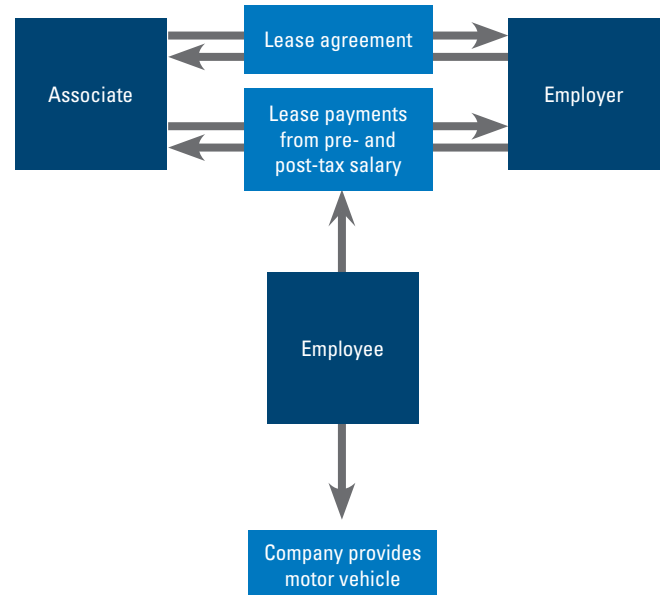
Lease payments are determined "at arms length" and are paid to the associate from the employee's salary package.

Deductions

Your Associate will be able to claim back all expenses relating to the running of the vehicle. Therefore, the following records (tax receipts) must be kept in support of the claim:

- > Fuel;
- > Maintenance and servicing costs;
- > Registration;
- > Insurance;
- > Roadside Assistance;
- > Car wash;
- > Depreciation; and
- > Interest on loan (if applicable).

Associate Lease Flow Chart



MOTOR VEHICLE DETAILS – ASSOCIATE LEASE

	Vehicle 1	Vehicle 2
Vehicle make/model		
Year		
Registration Number		
Purchase date		
Purchase price		
Estimated annual km		
Fuel	\$	\$
Registration	\$	\$
Insurance	\$	\$
Maintenance	\$	\$
Tyres	\$	\$
Loan Repayment	\$	\$
Odometer reading		

ASSOCIATE DETAILS

Employee Name		Application Date	
Surname			
Other names			
Date of birth			
Address			
		State	Postcode
Mobile phone		Home phone	
Work phone		Tax file no.	
Email			
ABN			

Bank account details (Associates name only)

Account name	
Bank and branch	
BSB	-
Account number	