

Overseas travel claims

We are often asked “what can I claim?” Here are some guidelines, which hopefully will help you. There are three situations:

1. Business is the prime purpose of the trip

The airfares are fully deductible. Apportion accommodation and food on the basis of the number of days engaged in business and the number of days engaged in holiday. You could have a situation where the prime purpose is business, but the holiday element is more than 50 percent. Obviously, the greater the time you spend on holiday and the less on business, the more the trip takes on a prime purpose of holiday.

2. The trip is partly business and partly holiday

In this case all the costs should be apportioned on a time basis. Your objective should be to show your claims are fair and reasonable.

3. Prime purpose is holiday

In this case none of the air travel is claimable. Apportion accommodation and food based on the number of days on business compared with the number of days on holiday.

General rule

You have to be prepared to prove your case. While you are away, keep a diary with details of who you visited and approximately what happened.

Most business trips require some preparation. There will usually be telephone calls and letters arranging appointments. IRD may call for all the evidence, so be sure to include this if required. Similarly, when you get back to New Zealand there will be follow up calls, letters etc.

Expenses

You will have all sorts of expenses during the day and it will be hard to keep track of them. You should discipline yourself to record your expenses every evening.

If you leave them, you will forget them. As a cross check, try putting, say, \$50 in one pocket and paying out your expenses only from there. At the end of the day, count the money you have spent.

The difference is the amount you need to account for. Do not be surprised if you find it difficult to remember where the money went.

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