

ELD logs are tax documents, too

Starting on Dec. 18, Canadian carriers and drivers that travel into the U.S. and log their duty status will need to comply with the U.S. FMCSA's electronic logging device (ELD) rule.

The mandate requires the use of an ELD that connects to the vehicle's electronic control unit (ECU) and records engine speed, vehicle speed, date, time, location, vehicle miles, and driver identification. The device has to be able to display – digitally or as a printout – all the data you're accustomed to writing down on paper: a daily header, graph grid showing driving duty status changes, and detailed daily log data.

I won't go into the pros and cons of these devices from an operational sense. I'm here strictly to discuss the tax side.

Some of you have been using electronic logs for quite a while. But trucking is a deadline-driven industry, which of course is a tactful way of saying it's a procrastinating bunch. With the deadline almost here, many carriers are just getting on board.

So that means a lot of drivers have to adapt from a long-established paper-based system to a new digital one.

Electronic documents create challenges and conflicts in any business but especially in trucking.

If the idea of electronic records makes your head spin – and I know lots of people who are in this boat – talk to your accountant about how to make it easier to manage.

It's almost the end of the year and as everyone starts gathering up their tax documents, the light bulb will go off: where are my logbooks?

By law, a logbook is used to show the hours you work and rest – it's a safety record. However, if you claim meals as a deduction on your tax return, your logbook is also a tax document.

Here's where the first purpose conflicts with the second.

For safety purposes, Canadian and U.S. laws require truck drivers to keep their logbooks for only six months. It's standard practice in the industry that on the first day of the seventh month, all logbooks are destroyed. If you don't keep a copy of it, your logbook for the month is gone forever.

I have spoken to two major ELD suppliers and they both assure me that drivers and owner-operators can indeed download their logbook data (talk to your carrier about how to access the records).

But the six-month rule is an issue. If you haven't been downloading or printing your logs over the past 12-plus months, your data may be gone. The best you can do is to download as much of your logbook as you can right away, and then set up reminders to start yet another routine where you download your logbook data each month on a go-forward basis.

I can't stress this enough: Your electronic logbook or your paper



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logbook is also a tax document. You must keep these for seven years to back up any meal claims deducted on your personal or used on your corporate tax return.

CRA is doing more and more spot-check reviews and audits all the time. If they ask for your logbooks and you don't have them, your deduction will be denied.

Whether you use "e" documents or printouts on good old-fashioned paper, you need to be able to back up any deductions claimed on your tax return or your business income statement. If the idea of electronic records makes your head spin – and I know lot of people who are in this boat – talk to your accountant about how to make it easier to manage. **TN**