The maintenance receipts provided did not support double the amount of Sch C miles driven in total. I don’t understand what you mean here when you say the maintenance receipts to not support . . . the mileage log submitted was actual Sch C mileage. Some mileage would also be for personal use. The mileage is the actual miles from office to client & back. Taxpayer claimed to miss a substantial number of workdays during both years on Forms 7202 included with the returns.  In addition, mileage log was not provided for 2021.  I understand not changing anything for 2021. I have included my reasoning from the report below:

Revenue Agent reviewed maintenance receipts and estimated approximately 15,000 to 18,000 total miles each year.

See 505-2 Sch C expenses workpaper for extrapolation from maintenance receipts.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | | | | | | | business |
| miles on |
| Date | Odometer | Miles since prev | Time | monthly avg | avg \* months | estimate 1 | estimate 2 | return |
| 9/10/2019 | 103,198 |  |  |  |  |  |  |  |
| 8/10/2020 | 118,350 | 15,152 | 11 months | 1,377 | 9,642 |  | 16,529 |  |
| 12/30/2020 | 126,138 | 7,788 | 5 months | 1,558 | 7,788 | 17,430 |  | 12,050 |
| 6/29/2021 | 133,906 | 7,768 | 6 months | 1,295 | 7,768 |  | 15,536 | 7,850 |
| 12/15/2022 | 165,134 | 31,228 | 18 months | 1,735 | 10,409 | 18,177 |  |  |

Taxpayer did not provide detail to separate business and personal mileage. 2020 mileage log total of 15,297 miles

is not consistent with maintenance receipts. Mileage log has daily entries and is not consistent with taxpayer’s prior

testimony of visiting a client once each week. I think the prior testimony you are referring to is from Collection Information Statement and/or interview. On those, she would have been giving rough estimates off the top of her head, correct? On the 2020 return, taxpayer stated 12,050 business miles

while mileage log listed 15,297 miles. Due to these inconsistencies and COVID travel restrictions during

2020, the Service understands some mileage would be a reasonable expense and is willing to allow half of

the stated business miles for Schedule C business. (Remaining stated business miles are considered as

S-corporation miles; difference between stated business miles and total from maintenance receipts is

considered personal miles.)

More than one car