



2024 RENTAL PROPERTY WORKSHEET

Street Address			
Suburb / Town			
State		Contract Date	
Postcode		Purchase Price	\$

Name of Property Owner #1		% Owned	
Name of Property Owner #2		% Owned	
Name of Property Owner #3		% Owned	
Name of Property Owner #4		% Owned	

<u>INCOME</u>	\$	How many days during 2023/24 was this property available to rent?
Rental Income		How many days during 2023/24 was this property actually tenanted?
<u>EXPENSES</u>	\$	How many days during 2023/24 did your family occupy this property?
Advertising for Tenants		
Body Corporate Fees		
Borrowing Expenses		Refer to "Borrowing Expenses" notes on Page 2
Cleaning		
Council Rates		
Depreciation		Refer to "Depreciation" notes on Page 2
Gardening / Lawn Mowing		
Insurance		
Interest on Loans		Is there any finance associated with this rental property?
Land Tax		What percentage of the finance relates to this single property? %
Legal Fees		
Pest Control		
Property Agent Fees / Commission		
Repairs & Maintenance		Refer to "Repairs v Renovations" notes on Page 2
Special Building Write-Off		Refer to "Capital Works" notes on Page 3
Stationery / Telephone / Postage		
Water Rates		
Sundry Expenses		

Furnishings & Equipment purchased during 2023/24 (read "Depreciation" on following page)

Description	Date Purchased	Amount

HOW TO MAXIMISE YOUR TAX DEDUCTIONS

To assist you to maximise your claim for expenses associated with your investment property we have compiled the following notes in respect of some of the more difficult areas.

LOAN INTEREST

Loan interest is only deductible to the extent that the funds borrowed were for the acquisition of an asset used to derive assessable income. Where an investment property is mortgaged and the borrowings are used for non-income generating purposes (e.g. to purchase a main residence, motor vehicle, other private assets, or used for other purposes), the interest has to be apportioned and can only be claimed to the extent appropriate to the income-generating assets. Loan interest is often the largest deduction, so taxpayers ought to be very careful that they don't claim too much.

BORROWING EXPENSES

Whenever you finance or re-finance your rental property investment, you are entitled to claim certain borrowing expenses (over a period of 5 years), to the extent the loan is used to produce assessable income. Such expenses include:

- Loan Application Fee
- Mortgage Registration Fee
- Mortgage Stamp Duty
- Title Searches by Mortgagee
- Document Registration Fee

Note: If your finance or re-finance includes your private residence, your rental properties and other private assets, an apportionment will need to be made.

DEPRECIATION

The following lists some of the items on which you are entitled to claim depreciation:

Air Conditioners, Bedding, Linen, Cooking Utensils, Crockery, Cutlery, Glassware, Curtains & Drapes, Carpets, Furniture & Fittings, Hot Water Systems, Floor Coverings, Lawn Mowers, Audio & Visual Equipment, Refrigerators, Vacuum Cleaners, Space Heating Units, Venetian Blinds and Washing Machines. If you have any of these items, then please list them on a separate page and ***be sure to include the purchase date and the purchase price.***

Often, we recommend that clients contact a specialist quantity surveyor to prepare their tax depreciation schedule to ensure benefits are maximised. Quantity surveyors have specialised knowledge on what to claim to ensure nothing is missed and know how to maximise available returns for investors. We have found BMT Quantity Surveyors provide a good service (<http://www.bmtqs.com.au>).

CAPITAL IMPROVEMENTS: REPAIRS v RENOVATIONS

The tax implications between a repair and a renovation are significant. A repair can be written-off in the year paid, whereas a renovation is either added to the cost base of the property and subject to the Capital Works deduction rules (normally 2.5% over 40 years), or depreciated under the normal depreciation rates. The issues surrounding repairs and renovations are very complex. Therefore, if you have any doubts about whether an expense is a repair or a renovation, then we suggest that you seek our professional advice and e-mail your query to us. The Australian Taxation Office publication '*Rental Properties*' provides some helpful guidelines on this issue as well as being an excellent general source of information regarding the treatment of rental income and expenses.

CAPITAL WORKS DEDUCTION (SPECIAL BUILDING WRITE-OFF)

A Capital Works deduction is a depreciation claim (usually 2.5% over a period of 40 years) made in relation to the capital cost of a building or improvements used for income producing purposes. The amount is based on actual construction cost, not purchase price. This initial construction cost is often difficult to determine. An estimate from a quantity surveyor, supervising architect or builder is accepted by the Australian Taxation Office. The cost of major structural improvements/renovations should also be added to the cost base for this purpose.

PURCHASE OF RENTAL PROPERTY: COST BASE

If the property was bought during the year we need the following information:

- The purchase contract

- The contract date and settlement date
- A list of chattels bought and cost of each (e.g. stove, hot water service, carpets, curtains, blinds, oven, heater, ducted heating, etc)
- Details of borrowing costs and term of loan
- Details of stamp duty and legal fees paid
- The date the property was first constructed (year and month are enough) and cost of construction.
- The date the property was rented out if applicable

SELLING YOUR RENTAL PROPERTY: CAPITAL GAINS TAX

We strongly recommend that you consult with us prior to making a final decision to sell your property to ensure that you are aware of the possible Capital Gains Tax implications.

The sale of an investment property is usually subject to Capital Gains Tax. To calculate whether your property has made a capital gain or a capital loss, we require the following information:

PURCHASE COSTS

- Contract Price
- Stamp Duty
- Solicitors Fees
- Conveyancing Fees
- Holding costs of the property (not already claimed as an expense)
- Settlement Fee
- Title Search Fee
- Title Registration Fee
- Land Tax Search Fee

SALE COSTS

- Sale Price
- Agents Commission
- Legal Fees
- Advertising Costs