

RENTAL PROPERTY

TAX SCHEDULE & CHECKLIST



PROPERTY DETAILS

Property Address:

Date Purchased:

Type of Property:

Date property first
earned rental income

Your Ownership %:

Weeks available for
rent during the year

Joint Owners Name (if applicable):

SUMMARY OF RENTAL INCOME & EXPENSES FOR THE YEAR 1 JULY TO 30 JUNE

And/or provide copies of agent statements, investment property loan statements and invoices.

INCOME

Rent received : _____
Government rebates : _____
Other rental related income : _____
Gross rent : _____

EXPENSES

Advertising for tenants : _____
Bank charges : _____
Body corporate fees : _____
Borrowing expenses : _____
Cleaning : _____
Council rates : _____
Depreciation on plant : _____
Emergency services levy : _____
Gardening / lawn mowing : _____
Insurance : _____

Interest on loans : _____
Land tax : _____
Legal fees : _____
Pest control : _____
Property agent fees : _____
Repairs and maintenance : _____
Capital works deductions : _____
Stationery, phone, postage : _____
Water charges : _____
Total Expenses : _____
Net Rent : _____

Apportionment of Income and Expenses

Name : _____
Name : _____

% Share













Net Income

RENTAL DEDUCTIONS CHECKLIST FOR LANDLORDS

To assist landlords in reducing the audit risk associated with claiming rental property expense deductions, the following checklist summarises the more common residential rental property expenses, and whether these expenses are generally deductible/non-deductible. Deductions are only available to the extent to which a property is either rented to tenants or genuinely available for rent (i.e., where active and bona fide efforts are made to let the property).

ITEM	DEDUCTIBLE	NON-DEDUCTIBLE
Accountant's fees: tax return preparation or lodgement costs, and tax advice	✓	
Adjustments for rates/land tax (in favour of vendor): related to purchase of property	✓	
Advertising expenses: looking for a tenant	✓	
Agent fees/commission: for managing the property and collecting rent	✓	
Bank charges: for accounts used to deposit rent receipts and to meet deductible outgoings (including interest expenses)	✓	
Body corporate fees: <ul style="list-style-type: none"> Administration or general purpose sinking fund contributions for general maintenance, repairs, etc. Special purpose levy contributions for improvements, initial repairs, etc 	✓	✓
Borrowing expenses: e.g., search fees, valuation fees, survey and registration fees, stamp duty, broker's commission, mortgage insurance, etc.	✓	

ITEM	DEDUCTIBLE	NON-DEDUCTIBLE
<p>Buildings and structural improvements: an annual write-off may be available for the cost of constructing:</p> <ul style="list-style-type: none"> • a rental property building; • an extension, alteration or improvement to a rental property building; or • a structural improvement (e.g., a sealed driveway or a fence). Basically, construction must commence after 17/07/1985 (for residential buildings) or after 26/02/1992 (for structural improvements). 	<p>✓ ✓ ✓</p>	
Cleaning	✓	
Council Rates	✓	
Deposit bond fees		✓
<p>Depreciation: only for assets that qualify as 'plant 'or 'depreciable assets' (e.g., carpets, blinds, hot water service, air-conditioning, oven, etc.)</p>	✓	
Gardening/lawn mowing	✓	
Emergency Services Levy	✓	
<p>Initial repairs: (i.e., repairs to problems that existed at the time the property was purchased)</p>		✓
<p>Insurance premiums:</p> <ul style="list-style-type: none"> • sickness/accident, building, fire, burglary, public liability, loss of rent • life and trauma 	✓	✓

ITEM	DEDUCTIBLE	NON-DEDUCTIBLE
Interest expenses on loan, to the extent the loan is used: <ul style="list-style-type: none"> • to purchase a rental property • to buy land to build a rental property • to buy plant for a rental property • for repairs to a rental property • for renovations to a rental property • for paying other rental-related expenses 		
Land tax		
Lease preparation, registration, stamping		
Legal costs for: <ul style="list-style-type: none"> • recovering unpaid rent, seeking damages for breach of agency agreement, reviewing credit worthiness of proposed tenant • to buy or sell the property, to defend title to the property, to oppose a neighbour's building application 		
Mortgage discharge expenses		
Mortgage insurance: treated as borrowing expense (refer above)		
Penalty interest on early loan repayment		
Pest control		
Postage and stationery		
Quantity surveyor report (cost estimate): for Division 40 or Division 43 purposes		
Repairs and maintenance (excluding initial repairs)		

ITEM	DEDUCTIBLE	NON-DEDUCTIBLE
Telephone calls and rental: related to dealing with real estate agents, tenants, contractors, and other rental property matters	✓	
Travel expenses: <ul style="list-style-type: none"> • to prepare property for incoming tenants • to collect rent • to inspect the property during, or after, a tenancy • to maintain/undertake repairs to property • to inspect property prior to purchase • to inspect property prior to settlement • to purchase property • to undertake improvements to property 	<ul style="list-style-type: none"> ✓ ✓ ✓ ✓ 	<ul style="list-style-type: none"> ✓ ✓ ✓ ✓
Water rates	✓	

NEGATIVE GEARING

A rental property is negatively geared when it is purchased with the assistance of borrowed funds and its expenses exceed the rental income and a loss is incurred. Losses incurred can then be offset against other assessable income (e.g. salary, wages, or business income) - this enables either a reduction in tax payable or a larger tax refund. The largest part of the deduction is the interest portion of the mortgage. You can, however, claim Property Management fees, rates, loan costs and maintenance and repairs. Negative gearing deductions are most beneficial to people in high income brackets where they are in the high marginal tax rate. This allows larger deductions when you borrow bigger amounts as you will pay more interest which is 100% tax deductible.



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THANK YOU FOR YOUR INFORMATION

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