

## Your 2018 Tax Checklist Rental Property

If you have a rental property please bring the following information (if applicable);

### **Income**

- Rental Statements from agent
- Rent not included on rental statements
- Other income (including bond/s retained and Payments received from insurers)

### **If first year as a rental**

- Contract for purchase
- Loan contracts and/or documents
- Settlement statement from solicitor
- Any other information relevant to purchase

### **Deductions (if not included on rental smts)**

- Advertising for tenants
- Bank fees loan
- Body corporate
- Borrowing costs – loans/mortgage
- Cleaning & rubbish removal
- Depreciation (or details of depreciable assets)
- Electricity
- Gardening & maintenance
- Insurance – building, contents, landlord/tenant
- Interest on loans
- Lease expenses
- Land tax
- Legal fees to collect unpaid rent
- Management/Agent Fees
- Materials & equipment used for repairs
- Mobile Phone
- New building write-off
- Pest control
- Postage & printing
- Repairs (not capital improvements)
- Council & water rates
- Seminars related to rental property ownership
- Stationery
- Telephone related to rental property
- Valuation Fees (quantity surveyor etc)

### **Note:**

- To be used in combination with our “Individual Returns” checklist
- Please refer to following page for further information

**New Restriction - Travel Deductions**

From 1 July 2017, travel expenditure incurred by a taxpayer in relation to travel to a rental property is not deductible.

The types of travel expenses in relation to a residential rental property that are subject to the new restriction include travel to:

- Inspect the property;
- Collect rent from tenants;
- Prepare the property for incoming tenants;
- Maintain and/or undertake repairs to the property; and
- Undertake improvements to the property.

The new restriction also extends to any cost in the travel undertaken to;

- A real-estate agents office to discuss matters about the property
- Attend a body corporate meeting and
- A hardware store when attending to repairs and improvements to the property

**New Restriction - Depreciation Deductions**

From 1 July 2017, a depreciating asset used in a residential property will be subject to the **new depreciation restriction**.

Acquisition time of residential rental property and depreciating assets	Depreciation Allowed	Depreciation <u>not</u> allowed (from 1 July 2017)
<b>Residential Properties acquired before 9 May 2017</b>		
Existing assets in property as at 9 May 2017		
1. Depreciation <b>claimed</b> in prior year	✓	
2. Depreciation <b>not claimed</b> in prior year		x
New assets acquired after 9 May 2017	✓	
Previously used (second hand assets) acquired after 9 May 2017		x
<b>Residential Properties acquired after 9 May 2017</b>		
Existing assets in property		x
New assets acquired for property after the purchase	✓	
Previously used (second-hand) assets acquired for property after the purchase		x
<b><u>New residential properties acquired after 9 May 2017</u></b>		
Existing assets in property	✓	
New assets acquired for property after the purchase	✓	
Previously used (second-hand) assets acquired for property after the purchase		x

As this new ruling is complex, we recommend contacting our office to discuss how these new rules affect your specific situation.