



YOUR TAX TIME CHECKLIST

At this time of year we are all starting to think about the end of year tax time, questions like 'where are all those receipts' and 'gee can I claim for that' are all starting to come to mind and a maze of issues start to cloud the clear process in getting these things together for the imminent lodging of our 2013/2014 ATO returns.

As a property investor the task can be even greater, so for many investors a deduction checklist should help to ensure you do not forget any immediately-deductible expenses. See my Tax Time Checklist below to assist you.

It is a good time to start preparing all these items now so that you do not miss anything in the preparation of your ATO returns and maximise your allowable deductions and rebates.

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Your tax time checklist:

- ✓ Interest on your investment loan
 - If your property is negatively geared, the shortfall between the rental income and the deductible expenses – including loan interest – is deductible against your other income
- ✓ Land tax
- ✓ Council rates and water charges
 - Consider body corporate fees and charges for day-to-day administration as well as contributions to a general-purpose sinking fund
- ✓ Insurance
 - Consider building, contents and public liability insurance
- ✓ Repairs and maintenance
- ✓ Real estate agents' fees and commissions for managing your property, inspecting the property and collecting rent
 - Agents' commissions to buy or sell your property are non-deductible but form part of the CGT cost base
- ✓ Gardening, lawn mowing, cleaning
- ✓ Pest control
- ✓ Leases
 - Remember preparation, registration and stamp duty on leases
- ✓ Mortgage discharge fees
- ✓ Advertising for tenants
- ✓ Tax-related expenses
 - Include fees charged by quantity surveyors to support claims for depreciation
- ✓ Depreciation
 - Take into account Div 43 building allowance, plant and equipment and low value pool items
- ✓ Bank charges
- ✓ Electricity and gas (when not paid by tenants)
- ✓ Limited legal expenses for running the property
 - Consider that most legal expenses, including for the purchase and sale of a property are regarded as non-deductible capital expenditure. Keep records as these costs should reduce the eventual capital gains tax payable on the sale of your property
- ✓ Service of equipment such as water heaters
- ✓ Travel (to inspect your property)