RENTAL SCHEDULE 20__

SIRAGUSA
ACCOUNTANTS & ADVISERS

ADDRESS

Property owners & ownership percentage

Gross Annual Income $

And

Attach agents annual statement ☐

Attach loan statement 30/06 ☐

Have you refinanced your loan this year ? ☐

Water Rates

$	$
$	$

Council Rates

$	$
$	$

Body Corporate	Insurance
$	$

Land Tax	Repairs**
$	$

New Assets**

Date	Description	Amount

Other

	$
	$
	$
	$

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$	$

Land Tax	Repairs**
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New Assets**

Date	Description	Amount

Other

	$
	$
	$
	$

** To learn more about repairs vs new assets refer to the next page.

Australian Government
Australian Taxation Office

Rental properties

Repairs, maintenance and capital expenditure

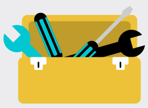
Quick reference chart

Are you replacing something that is worn out, damaged or broken as a result of renting out the property?	This is likely to be a **REPAIR**	Eg, replacing part of the fence damaged in a storm or getting in a plumber to fix a leaking tap	This should be claimed at **Repair and Maintenance** on the rental schedule
Are you preventing or fixing deterioration of an item that occurred while renting out the property?	This is likely to be **MAINTENANCE**	Eg, getting faded interior walls repainted or having a deck re-oiled	This should be claimed at **Repair and Maintenance** on the rental schedule
Are you repairing damage that existed when the property was bought (whether it was known about at the time of purchase or not)?	This is likely to be an **INITIAL REPAIR**	Eg, fixing floorboards that had damage when the property was bought	This should be claimed at **Capital Works** or **Capital Allowances** on the rental schedule
Are you replacing an entire structure that is only partly damaged? Or are you renovating or adding a new structure to the property?	This is likely to be a **CAPITAL WORKS**	Eg, replacing all the fencing, not just the damaged portion, or adding a carport	This should be claimed at **Capital Works** on the rental schedule
Are you installing a brand new appliance or floor/window covering?	This is likely to be a **DEPRECIATING ASSET**	Eg, buying a brand new dishwasher or installing new carpet	This should be claimed at **Capital Allowance** on the rental schedule

The cost of repairs and maintenance may be deductible in full in the year you incur them if:

- the expense directly relates to wear and tear or other damage that occurred as a result of renting out your property, and
- the property:
  - continues to be rented on an ongoing basis, or
  - remains available for rent but there is a short period when the property is unoccupied, for example, where unseasonable weather causes cancellations of bookings or advertising is unsuccessful in attracting tenants.

Repairs



Generally repairs must relate directly to wear and tear or other damage that occurred as a result of your renting out the property.

Examples of repairs include:

- replacing broken windows
- repairing electrical appliances or machinery
- replacing part of the guttering damaged in a storm
- replacing part of a fence damaged by a falling tree branch.

Maintenance

Maintenance generally involves keeping your property in a tenantable condition. It includes work to prevent deterioration or fix existing deterioration.

Examples of maintenance include:

- repainting faded or damaged interior walls
- oiling, brushing or cleaning something that is otherwise in good working condition. For example, oiling a deck or cleaning a swimming pool.
- maintaining plumbing.

Capital expenditure which may be claimable over time

Capital Works

The rate of deduction for these expenses is generally 2.5% per year for 40 years following construction.

Capital Allowances

For each of the assets where you may claim a deduction for decline in value, you can choose to use either the effective life the Commissioner has determined for such assets, or your own reasonable estimate of its effective life. Where you estimate an asset's effective life, you must keep records to show how you worked it out.

Initial repairs

Costs you incur to remedy defects, damage or deterioration that existed at the time you acquired the property are considered to be capital in nature. These may be classified as capital works or capital allowances, dependant on what the expenditure was for.

Depreciating assets

Depreciable assets are those items that can be described as plant, which do not form part of the premises. These items are usually:

- separately identifiable
- not likely to be permanent, and expected to be replaced within a relatively short period
- not part of the structure.

Examples of assets that deductions for decline in value can be applied to include:

- timber flooring
- carpets
- curtains
- appliances like a washing machine or fridge
- furniture.

Capital works

Capital works is used to describe certain kinds of construction expenditure used to produce income.

Examples of capital works include:

- building construction costs
- the cost of altering a building
- major renovations to a room
- adding a fence
- building extensions such as garages or patios
- adding structural improvements like a driveway or retaining wall.

Improvements

An improvement is considered anything that makes an aspect of the property better, more valuable or more desirable, or changes the character of the item on which works are being carried out.

Improvements include work that:

- provides something new
- generally furthers the income-producing ability or expected life of the property
- goes beyond just restoring the efficient functioning of the property.

Improvements can be either capital works where it is a structural improvement or capital allowances where the item is a depreciable asset.

It is important to correctly categorise each expense you incur to ensure it is treated correctly for tax purposes.

Rental property owners should remember three simple steps when preparing their return:

1. Include all the income you receive

This includes income from short term rental arrangements (eg a holiday home), sharing part of your home, and other rental-related income such as insurance payouts and rental bond money you retain.

2. Get your expenses right

- Eligibility – Claim only for expenses incurred for the period your property was rented or when you were actively trying to rent the property on commercial terms.
- Timing – Some expenses must be claimed over a number of years.
- Apportionment – Apportion your claim where your property was rented out for part of the year or only part of your property was rented out, where you used the property yourself or rented it below market rates. You must also apportion in line with your ownership interest.

- **3. Keep records to prove it all**

  You should keep records of both income and expenses relating to your rental property, as well as purchase and sale records.

This is a general summary only

For more information go to **ato.gov.au/rental** · Watch our short videos at **ato.gov.au/rentalvideos**
Download our free Rental properties guide at **ato.gov.au/rentalpropertyguide**
Read our Guide to capital gains at **ato.gov.au/cgtguide**

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