

Rental Property Tax Preparation Checklist 2015

Client name: _____ Phone/Email _____

This checklist is created to help you prepare your documents for your Rental Property Tax Return this year. Please review all questions and check if they relate to your circumstances. Please complete and attach with your paperwork for tax return preparation. Please feel free to contact us if you have any questions.

Last Year Details

Copy of last year's tax return with worksheet providing details of rental income and expenses and depreciation schedule on rental property.	Yes / No N/A
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Current Year Details

	Yes / No N/A
Legal ownership of the property – Joint/Tenants in Common. Your ownership percentage %	
Is this your existing property or you have purchased the property during this financial year? If you have purchased the property during this financial year then please provide us Settlement sheet of purchase of property & loan contract (first 5 pages)	
Was property available for rent for full year? If not, what period.	
Was property fully available for rent, or partly used as owner occupied? If yes, what percentage was available for rent.	
Rental Income (full year statement from real estate agent or total of rent received if managed privately).	
If you have sold the property during this financial year, please provide us with the Settlement sheet of sale of property and other documents like legal fees, agent commission paid etc.	
Rental Expenses <ul style="list-style-type: none"> • Council • Strata • Water • Insurance • Land Tax • Advertising to find tenant • Property agent fee and commission • Repairs (any repairs beyond \$300 please bring receipt) • Travel to property to inspect, repair, other matters. • Interest on loan to buy property (if Line of Credit, please contact us urgently) • Other rental property expenses (any expenses on property – some may be claimable) 	
Copy of depreciation schedule (if applicable)	
Borrowing Costs (costs paid to bank at time of taking loan, usually found in your loan contract and claimable over 5 years)	
Any other probable claims? Are any of the above salary packaged with employer?	

Common expenses for investment properties

Expense	Tax treatment	Comments
Monthly/ Annual expenses (For Example): <ul style="list-style-type: none"> interest on loans drawn to acquire or improve property rates, land tax, insurance agents commission 	Deductible when incurred	General deductions- necessarily incurred in gaining assessable income that are deductible while property is income producing
Lease document expenses	Deductible when incurred	A deduction is allowed for expenditure incurred for the preparation, registration and stamping of a lease of property.
Borrowing expenses: <ul style="list-style-type: none"> stamp duty on loan mortgage insurance loan application fee other borrowing costs 	Deductible over 5 years	The deduction is claimed over 5 years from the first day the money was borrowed (or the period of the loan, if the loan period is less than 5 years)
Expenses of discharging a mortgage	Deductible	Expenditure incurred to discharge a mortgage that you gave as security for the repayment of money is deductible to the extent that the borrowed money was used for the purpose of gaining assessable income
Stamp duty on property	Capital cost - not deductible, included in the assets cost base	The cost base of an asset includes the incidental costs incurred in acquiring the property.
Building costs	Capital Cost - not deductible, Capital Works Depreciation can be claimed	At a rate of 2.5% p.a. on building cost of the property can be claimed as capital works depreciation. Such claims reduce cost of property for capital gains purposes.
General repair	Deductible	A deduction is allowed for expenditure incurred in repairing the property to its state when you started renting it (any improvements would be regarded as a capital asset).
Additions / Extensions/ Improvements	Capital Cost - not deductible Capital works(depreciation) can be claimed	Capital expenditure incurred in altering or improving a building is not deductible. These capital costs can be isolated and written off at a rate of 2.5% per annum as with Building Costs above. Such claims reduce cost of property for capital gains purposes.
Initial repairs	Capital Cost -not deductible Capital works(depreciation) can be claimed	Expenditure incurred on initial repairs (rectifying defects that existed at the time the property was acquired) are regarded as capital improvements. To the extent they are not "plant" as set out below they may be written off at a rate of 2.5% per annum with Building Costs above. Such claims reduce cost of property for capital gains purposes.
Plant and Equipment, e.g.; carpet, furnishings, whitegoods, electrical equipment, hot water systems, stoves, air conditioning, common area lifts etc	Capital Cost - not deductible Capital allowance (depreciation) available	A deduction is available for depreciation of each asset based on expected life with typical depreciation rates of 15 to 30% per annum. A report from quantity surveyor is recommended. Such claims reduce cost of property for capital gains purposes.