



Bantacs Accountants (Qld) Pty Ltd



Looking for a way to collate your rental property taxation information in a way that will minimize your accounting fees?
Visit the Shopping section of the BAN TACS website for our Property Tax Return Worksheet

RENTAL PROPERTY SCHEDULE 2023

Please Note:

Expenses While Not Earning Rent – From 1st July 2019 interest, rates, insurance and the like are no longer tax deductible on vacant land or during the construction of a residential property. It is important to note it is only the land that is affected. If you are constructing a rental property then interest on the construction loan is deductible during the construction phase. Expenses relating to the land become deductible ones it is available for rent. Be careful if you have one rental property but the land is over two titles, make sure the lease details both titles as being rented to the tenants.

Limited Plant and Equipment Depreciation – Please avoid buying items for your rental property while you are staying there as they will be deemed to have been previously use so not able to be depreciated, this is the case even if you don't use them ie an air conditioner in the winter time.

Client Name:

Please Complete a Separate Schedule for Each Rental Property

New clients should complete all items below. Returning clients need only provide those items not previously disclosed to your Ban Tacs accountant

Property Details (Property History)	SUPPORTING DOCS	ATTACHED
Property Address (must include Post Code)* _____ _____ Name(s) of other owner(s)* _____ _____	Please provide copy of Purchase Contract if you Are unsure.	☐

Percentage of ownership allocated to you* Date the property was purchased* Purchase price of the property* Date the property was rented out for the first time*	% / / \$ / /	If yes and you do not know the original costs please provide a Quantity Surveyors Report
<i>*This is available in your last year's tax return, so we only need it if this is your first year with us.</i>		
If this is the first year we are doing a tax return for this rental property: Was this property built OR improved after 16th September, 1987? Yes ☐ No ☐ If this is the first year we are doing a tax return for this rental property: Yes ☐ No ☐ Did you still own the property as at 30 June? Yes ☐ No ☐ If not, please provide date of sale / / And the sale price \$ Number of weeks the property was rented out during the financial year wks. / / Number of weeks property was available for rent during the financial year wks. / /		If yes, you are entitled to claim depreciation on the building. To do this you are required to have a copy of the original building or improvement cost or a Quantity Surveyor's report estimating these costs. Please enclose this if this is the first year you are claiming the building or you are unable to provide the depreciation schedule from last year's tax return. If this is the first year we are doing a tax return for this rental property: Contract of Sale & Other Docs ☐ Please provide dates Please provide dates

IF YOU HAVE RECENTLY PURCHASED YOUR PROPERTY YOU SHOULD CAREFULLY STORE, FOR CGT PURPOSES, ALL OF THESE ITEMS. PLEASE PROVIDE COPIES OF THE ONES MARKET WITH A *		ATTACHED
First 4 pages of the Purchase Contract		
Construction Contract, showing total cost and progress payments schedule (if applicable)		
Settlement Statement – showing ownership split, stamp duty & other adj*		☐
Solicitor Invoice		
Depreciation Report & Tax Invoice* If the property was built or renovated since 16 th September 1987 and you don't know the actual cost otherwise just provide the actual cost of the renovation or construction		☐

Is the property mortgaged?	Yes No	Please provide bank loan statements for whole year	☐
Date the loan commenced	/ /	If this loan is less than 5 years old please provide the borrowing costs	
Amount of original loan	\$		
Percentage of loan relating to this property	%	Please identify on the loan statements which withdrawals are for private purposes	☐
Have you made any personal redraws on the loan?	Yes No		
Have you refinanced the mortgage this year?	Yes No	If you have refinanced, we need the loan statements for both/all loan statements for the property, for this year	☐
If yes, Date of refinancing	/ /		

Income and Expenses:

Use the full amount of income the property earned, and the full amount of expenses incurred on the property, even if you don't fully own the property, as our software will do the apportioning. If your co owner is not your spouse then expenses only incurred by you for example interest if you have separate loans need to be clearly state in the client notes that it is only your share so we do not apportion them.

- **We only need copies of certain documents** – see each expense item in the tables below.
- Original invoices/receipts/documents should still be maintained by you for at least 5 years.
- Purchase documentation needs to be kept until 5 years after you sell the property
- Please take care to ensure that the Total Rent Income Amount should be the actual amount paid by the tenants NOT the net amount you receive from the Real Estate Agent. The agent's fees etc. are deducted later under expenses. Make sure that where bills are paid more than once a year, that the full year's bills are given in the summary (eg Water Bills, Council Rates, Body Corporate Fees)
- If the property was not available the whole tax year (for example, you stayed in the property for a 4 week holiday), let us know in the comments box

PROPERTY INCOME – NO NEED TO COMPLETE IF YOU HAVE USED THE BAN TACS PROPERTY TAX RETURN WORKSHEET <https://www.bantacs.com.au/shop-2/property-tax-return-worksheet/>

Total rent income received for this property	\$	As Per Agent Statements
Other income (reimbursement, etc.)	\$	eg. Water Usage Reimbursement by Tenant

PROPERTY EXPENSES – NO NEED TO COMPLETE THIS SCHEDULE IF YOU HAVE USED THE BAN TACS PROPERTY TAX RETURN WORKSHEET <https://www.bantacs.com.au/shop-2/property-tax-return-worksheet/>

	FROM AGENT STATEMENT	FROM YOUR SCHEDULE/PAYMENTS	CLIENT NOTES
D. Advertising			Not including Advertising Costs on Property Sale
E. Body Corp Fees			

G.	Cleaning				
H.	Council Rates				<i>All 4 Qtrs, or covering all year</i>
J.	Lawn Mowing and Gardening				
K.	Insurance				
L.	Interest paid on loan where the money borrowed was used to purchase or otherwise for the property (It doesn't matter where the loan is secured, just what it was used for)				<i>An interest summary from your internet banking is useful</i>
M.	Land Tax				
N.	Legal Costs				<i>In relation to tenants/debt collection, not purchase of property</i>
O.	Pest Control				
P.	Property Agents Fees/Commissions				<i>Including GST, Postage & Petties, Admin Fees etc</i>
Q.	Repairs and Maintenance (Not Improvements, or Assets)		<i>See schedule on following page</i>		
U.	Water Rates				<i>Include the cost of all Water bills for the year</i>
V.	Other (Please specify)				<i>Eg Cost of Depreciation Report</i>
	Other (Please specify)				<i>Eg Electricity</i>
	Other (Please specify)				
	Bank Fees				<i>Only Recurring bank fees, not those involved in setting up the loan</i>

Plant and Equipment Depreciation

- ✓ If this is the first year we have prepared your income tax return, please send us a copy of your depreciation schedule from last year's tax return, and also your depreciation report, if you have one.
- ✓ If you have previously lived in the property and this is the first year you have rented it out you should keep any information and photos you have on the whole property's market value for future CGT purposes
- ✓ Don't list below anything you have purchased second hand or used yourself unless this happened before 9th May 2017 and the property has always been a rental since then.
- ✓ **If you have stayed in the property at all since 9th May, 2017 we need to know how significant this was. If you were holidaying there then you have lost all your plant and equipment depreciation entitlements for anything purchased before you moved back out again even if you didn't use it.**

Plant and Equipment

- ✓ Items such as carpets, stoves, hot water systems, air conditioners, some light fittings, fans, curtains etc.

Repairs & Maintenance and Improvements

- ✓ Not all improvements are deductible. For example, if the house needed painting when you bought it then painting it would be an improvement, therefore not deductible. On the other hand, if during the time of our ownership the paint starts to peel and you repaint, the expense would be a deduction.
- ✓ No deduction is available for your own labour. The repair needs to be made during a financial year that rent is received. So, take care to perform repairs only when the premises are tenanted or in a period where the property will be tenanted before and after with no private use in the middle (IT180).
- ✓ A repair would be fully deductible if a property is used only as a rental property during the whole year, this applies even though some of the damage may have been done in previous years when the property was used for private purposes (TR97/23). **Note, this does not apply if the damage was done in a period you did not own the property.**
- ✓ A repair can become an improvement if it does not restore things to their original state (case M60) i.e. replacing a metal roof with tiles. The whole cost of the tiled roof would be an improvement and no deduction would be available for what it would have cost you to put up another metal roof. **Note, a change is not always an improvement.**
- ✓ In ID 2002/330 the ATO states that the cost of removing carpets and polishing the existing floorboards is deductible. Yet in ID 2001/30 underpinning due to subsidence was considered by the ATO to be an improvement not a repair. It is not necessary to use the original materials to restore the thing or structure to its original state. Modern materials can be used even when these might be a slight improvement because they are more efficient if the benefit is only minor or incidental it can still be considered a repair.
- ✓ Work that replaces the whole thing or structure is an improvement not a repair. So, don't pull down all the old fence and replace it, just replace the damaged area. TR 97/23 recognises that eventually the whole thing or structure may be replaced in a progression of repairs. These repairs are still deductible providing each repair is on a small scale, the progression is over a long period of time and that it is not just in reality a replacement done over time but individual repairs.
- ✓ Tree removal is claimable if the trees have become diseased or infested during the time of ownership. Removal is also claimable if the tree is causing damage such as roots interfering with pipes and the damage was not present when you purchased the property.

Note improvements and second hand plant and equipment can increase your cost base for CGT purposes so it is still important to keep the receipt.

Q / R	Plant & Equipment, Repairs, Improvements – items purchased this particular tax year				INVOICE ATTACHED
PURCHASE DATE DD/MM/YYYY	DESCRIPTION OF ITEM PURCHASED	PLANT & EQUIPMENT BRAND NEW ONLY \$	REPAIRS \$	IMPROVEMENT \$	
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More Information on rental properties, there is a whole range of booklet available on our web page <https://www.bantacs.com.au/media-library/booklets/> in particular our Owning A Rental Property Booklet http://www.bantacs.com.au/booklets/Owning_A_Rental_Property.pdf

Warning: Capital Gains Tax is effectively a tax on inflation. This means if all houses go up in value across the board and you sell a house that is subject to CGT you will not have the money left after paying tax to buy a similar house in a similar area. This is why it is important to make sure at least one of your properties is covered by your main residence exemption. You cannot do this unless you have lived in the property. There are other conditions and traps that can cause you to lose your main residence exemption. To find out more about 'CGT' download our free Selling A Rental Property *booklet*, http://www.bantacs.com.au/booklets/Selling_A_Rental_Property.pdf Booklets can be found in the Booklets section of our website: www.bantacs.com.au.

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Other Client Notes

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