

Rental property deductions

✓ DO'S



✗ DON'TS

If you have an investment property, here's what you can and can't claim...

- ✓ Advertising for tenants
- ✓ Bank charges
- ✓ Body corporate fees and charges or strata levies
- ✓ Cleaning costs 
- ✓ Council rates
- ✓ Depreciation (including certain capital works)
- ✓ Electricity and gas
- ✓ Gardening and lawn mowing services 
- ✓ Inhouse audio/video service charges
- ✓ Insurance (including building contents and public liability)
- ✓ Land tax 
- ✓ Letting fees
- ✓ Pest control services 
- ✓ Property agent's fees and commission
- ✓ Quantity surveyors' fees
- ✓ Secretarial and bookkeeping fees
- ✓ Security patrol fees 
- ✓ Servicing costs (eg the costs of servicing a water heater)
- ✓ Stationery and postage costs
- ✓ Tax-related expenses
- ✓ Phone call and rental costs 
- ✓ Water rates 

- ✗ Expenses of a capital nature or of a private nature
- ✗ Expenses related to the acquisition and disposal of the relevant property
- ✗ Expenses that are body corporate payments to a special purpose fund to pay a particular capital expenditure
- ✗ Expenses which are not actually incurred by the taxpayer (eg water and electricity charges paid by the tenants)
- ✗ Expenses that aren't related to the rental of a property (eg expenses connected to a holiday home that is rented out for part of the year).

Did you know?

In Australia, there are

> 2 million



people who claim around

(\$ 46 billion

in rental property deductions in their tax return.

 = 100,000 people



The lion's share of the available tax deductions is the interest portion of a mortgage connected with the property.

Other costs can be claimed on an immediate basis as long as they have not been incurred by the taxpayer and they haven't been recouped elsewhere (eg payment from the tenant).

For more information visit taxinstitute.com.au/federal-budget



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