



Below is a list of potential Tax Deductions

Deductible - Immediately

- Property management & maintenance expenses
- Advertising for tenants – directly by you or where the agent charged you
- Body corporate fees or Strata Title fees and charges
- Cleaning
- Gardening/Lawn Mowing
- Pest control
- Security patrol fees
- Rates & Taxes
- Water rates, charges & usage
- Council rates
- Land tax – first time owners have to lodge an initial land tax return with the Office of State Revenue in each state – YOU have to initiate this. They will not chase you up but they will penalise you for late lodgement
- Property Agent Fees/commissions – including GST
- Postage & petties,
- Statement fees and
- Bank charges/fees
- Lease document expenses
- Letting fees
- Administration expenses including
 - Stationery used to maintain your rental records etc
 - Postage on documents relating to property management

- Telephone calls relating to property management
- Legal expenses relating to debt collection or tenant problems
- Electricity & gas – where not covered by tenant
- Insurance
 - Landlords
 - Building
 - Contents
 - Public liability
- On acquisition – from the solicitor's settlement letter
 - Balance of council rates
 - Balance of water rates
 - Balance of body corporate fees
- Repairs & Maintenance – relating to wear & tear or damage as a result of renting out the property. The idea is that an expense is considered a repair when the functionality is being restored. Generally repairs include
 - Plumbing
 - Electrical
 - Handyman
 - Etc.

ATO is particularly vigilant to catch people who are claiming expenses described as repairs when they are considered to be improvements – improvements are usually depreciated.

- Interest & loan a/c fees on loans to finance investment properties. Some initial loan setup fees are amortised over 5 years. For the interest to be to be deductible the loan must have been applied to acquire an income producing asset e.g rental property
- Travel expenses to – (This has been removed from the 2018 year onwards)
 - Inspect property
 - Maintain property
 - Collect rents

A full deduction can only be claimed if the sole purpose of the trip relates to the property.

- Where the inspection is combined with a holiday, expenses must be apportioned,
- Cost of preparing a Quantity Surveyor's report showing depreciation expenses and Special Building Writeoff
- Seminars – cost of attending property investment seminars – only to the extent that they relate to operating or maximising the return on currently owned and rented properties.

