

Appreciating Depreciation



Newsletter – Issue 1, 12 April 2010

Hello and welcome to all of our valued clients and colleagues to the April edition of Appreciating Depreciation Newsletter with some key points of focus.



With **Tax Time** just around the corner we are already busy assisting Investors with the preparation of their **Tax Depreciation Schedules**.

Don't wait too long ... get in early to avoid the last minute, end of financial year rush.

SOME IMPORTANT INFORMATION FOR INVESTORS

The new Tax Agents Bill came into effect on 1st March 2010, and is it now imperative that Investors only use fully qualified Quantity Surveyors who are full members of the Australian Institute of Quantity Surveyors to prepare their Tax Depreciation Schedules.



Don't be caught out. Make sure you have your report prepared legitimately and correctly the first time by sourcing a suitably qualified Quantity Surveyor.

DEPRECIATING LANDSCAPING

There is often confusion from Investors when it comes to knowing what landscaping in investment properties can be depreciated.



The ATO will allow you to claim depreciation on 'hard' landscaping such as driveways, pathways, paving, pergolas, gazebos, clothes lines, retaining walls, fencing, rainwater tanks, swimming pools and spas. These items all fall under the 'Capital Allowance' depreciation.



Pool equipment, rainwater pumps, irrigation controls and motors for gates are all depreciated under 'Plant' and therefore depreciated faster.

Unfortunately, you are not able to depreciate 'soft' landscaping such as plants, soil / fill, turf, mulch, and rocks / pebbles.



Did you know?

The ATO will allow you to back claim depreciation on your Investment Property for up to 2 years?

If you haven't been claiming depreciation on your property, speak with your Accountant to identify your eligibility to back claim and maximise the tax benefits you are entitled to.

TAX TIP

GETTING READY FOR YOUR ACCOUNTANT - TAX RETURN CHECKLIST

To save time and money, it's important to be organised prior to meeting with your Accountant. Unfortunately, many Investors are unaware of the full extent of items and expenses that can be legitimately claimed. Make sure you have the following information regarding your Investment Property at hand – these are all items the ATO identify and allow as 'Immediate Deductions':

- advertising for tenants
- bank charges
- body corporate fees and charges*
- cleaning
- council rates
- electricity and gas
- gardening and lawn mowing
- in-house audio/video service charges
- insurance
 - building
 - contents
 - public liability
- interest on loans*
- land tax
- lease document expenses*
 - preparation
 - registration
 - stamp duty
- legal expenses*
(excluding acquisition costs and borrowing costs)
- mortgage discharge expenses*
- pest control
- property agent's fees and commission
- quantity surveyor's fees
- repairs and maintenance*
- secretarial and bookkeeping fees
- security patrol fees
- servicing costs – for example, servicing a water heater
- stationery and postage
- telephone calls and rental
- tax-related expenses
- travel and car expenses*
 - rent collection
 - inspection of property
 - maintenance of property
- water charges



Introducing ...

TRACEY LUNNISS

BSc(Hons) (QS) MRICS AAIQS
Associate Director, TSL Pty Ltd
Chartered Quantity Surveyor



Tracey is a Chartered Quantity Surveyor with over 22 years experience within the profession. Tracey's experience has been gained predominantly via working for major Quantity Surveying companies in the UK, Hong Kong, Malaysia, Thailand and Australia.

Professional Background

- Bachelor of Science with Honours – Quantity Surveying
- Associate Member of the Australian Institute of Quantity Surveyors
- Member of the Royal Institute of Chartered Surveyors
- Member of the National Association of Women in Construction
- Co-author of 'The Path to Success'

TSL Pty Ltd aims to educate not only Investors, but also related professional groups (ie Real Estate Industries, Financial Institutions, etc), of the advantages of legitimately maximising tax benefits through claiming Tax Depreciation. With this in mind, Tracey regularly speaks at both formal and informal events.

For further information regarding Tracey's corporate presentations or informal 'chats' at staff meetings or similar, please contact her on 1300 792 360.

Of course ... don't forget your **TAX DEPRECIATION SCHEDULE**

You can claim a deduction for these expenses only if you actually incur them and they are not paid by the tenant. Deductions marked with an asterisk (*) can be assessed and explained in more detail by your Accountant.

For further information or to book your Tax Depreciation Schedule, call our friendly staff on 1300 792 360, or you can obtain your instant quote and book online at www.tslprojectservices.com.au