

Deductions, Gearing, Rebates, Super.... They can all help maximise your returns from your investment property at tax time.

Immediate deductions

There are a number of expenses that can be claimed immediately and as a general rule of thumb they usually relate in some way to the day-to-day running of your property.

Things such as:-

- Advertising costs to find buyers & tenants
- Building / property fees, which can include body corporate fees, and strata management costs.
- Costs relating to general maintenance, cleaning, law mowing, pest control, etc.
- Water rates, charges & usage
- Council rates
- Land tax
- Utility Bills
- Agents fee's & Commissions
- Postage & Petty Expenses
- Statement fees
- Bank Charges
- Letting Fees
- Expenses related to drawing up lease documents
- Legal expenses
- Telephone & communication costs
- Insurance including landlord, building, contents & public liability.
- Repairs and maintenance costs.
- Interest and loan account keeping fee's
- Quantity surveyor costs
- Training seminars

Long Term Deductions

There are certain types of deductions that you are required to claim over a number of tax returns. These include:-

- Borrowing expenses including loan applications fees, lenders legal fees, title search fees, lenders mortgage insurance, stamp duty on mortgages, mortgage registration fees.
- Depreciation on plant & equipment eg's electrical equipment, carpets and furnishings. There are different methods of calculating these values, you should seek advice from a qualified tax professional.
- Constructions costs or capital works

Things you can't claim

According to the ATO website there are a number of common mistakes identified in the income tax returns of rental property owners. Some of these common mistakes are:-

- Claiming the cost of land in the Constructions costs.
- Claiming interest on private portions of loans where more than one item is financed., eg boats and principal place of residence.
- Travel expenses not directly associated with the property. eg visiting the property whilst on holidays.
- Claiming deductible borrowing expenses over \$100 in one year.
- Co Ownership interests and expenses, - must be divided in line with your legal interest in the property.

This information has been provided as a general outline and does not apply to all.

Information sourced from the [ATO Rental Properties Guide.](#)

We suggest you seek advice from a qualified tax professional to assess your individual situation.

No 1. Tip for All Property Investors

To ensure you get the most back at tax time, the number 1 tip is to keep and maintain reliable paper work for all transactions relating to your investment property expenses.