

# 2025 RENTAL SCHEDULE CHECKLIST

## Income

- Rental Property Annual Management Summary Report from your real estate agent
- If you self manage your rental properties, a summary of annual rent received for each property
- Any unusual income received, such as insurance payout for damages, or a reimbursement from tenants for water, etc.
- Any money added to help fund negative cashflow is not considered income, but rather an indication the property is negatively geared
- Rental Properties in Foreign Countries, will have different financial years, so income needs to be aligned with the Australian Financial Year
- Capital Gains - example sale of a rental property - we'll need details of the purchase and sale contract, and any depreciation claims for claw backs. Also was the rental property previous your principal home will affect any Capital Gains Calculations
- Subdividing the backyard can have Capital Gains issues to consider also

## Expenses for which you can claim an immediate deduction

Expenses for which you may be entitled to an immediate deduction in the income year you incur the expense include:

- Advertising for tenants
- Bank charges
- Body corporate fees and charges
- Borrowing expenses
- Capital allowances (depreciation)
- Cleaning
- Council rates
- Costs incurred in relocating tenants into temporary accommodation if the property is unfit to occupy for a period of time
- Electricity and gas - annual power guarantee fees
- Gardening and lawn mowing
- Insurance premiums:
  - Building
  - Contents
  - Public Liability
- Interest paid on borrowed money
- Land tax
- Lease document expenses:
  - Preparation
  - Registration
  - Stamp duty
- Legal expenses (excluding acquisition costs and borrowing costs)
- Mortgage discharge expenses
- Pest control

- Property agents fees and commissions (including prior to the property being available to rent)
- Quantity surveyor's fees
- Repairs and Maintenance
  - Cost of a defective building works report in connection to repairs and maintenance conducted
- 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
- Water charges

You can claim a deduction for these expenses only if you actually incur them and they are not paid by the tenant.

### **Expenses for which you cannot claim deductions**

- Acquisition and disposal costs of the property
- Expenses not actually incurred by you, such as water or electricity usage charges borne by your tenants
- Expenses that are not related to the rental of a property, such as:
- Expenses connected to your own use of a holiday home that you rent out for part of the year, or
- Costs of maintaining a non-income producing property used as collateral for the investment loan
- Travel expenses to inspect a property
- Expenses incurred in relocating assets between rental properties prior to renting
- Travel expenses to (or other costs for) rental seminars about helping you find a rental property to invest in

### **Expenses deductible over a number of income years**

There are three types of expenses you may incur for your rental property that may be claimed over a number of income years:

- Borrowing expenses
- Loan establishment fees
- Title search fees charged by your lender
- Costs for preparing and filing mortgage documents
- Mortgage broker fees
- Stamp duty charged on the mortgage
- Fees for a valuation required for loan approval
- Lender's mortgage insurance billed to the borrower

The following are not borrowing expenses:

- Insurance policy premiums on a policy that provides for your loan on the property to be paid out in the event that you die or become disabled or unemployed
- Interest Expenses
- Stamp duty charged on the transfer of the property
- Stamp duty incurred to acquire a leasehold interest in property (such as an ACT 99-year Crown lease)
- Amounts for decline in value of depreciating assets
- Capital Works Deductions

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