



# TAX DEPRECIATION

## & CAPITAL ALLOWANCE SCHEDULES

Depreciation is the accounting method used for calculating the loss in value for a building and its fixtures & fittings over time.

## TAX DEPRECIATION IS CRUCIAL FOR ANY INVESTMENT PROPERTY STRATEGY

With a Tax Depreciation Schedule, you can claim that loss on rental properties as a deduction in your tax return every year until the cost of the asset is fully written off.

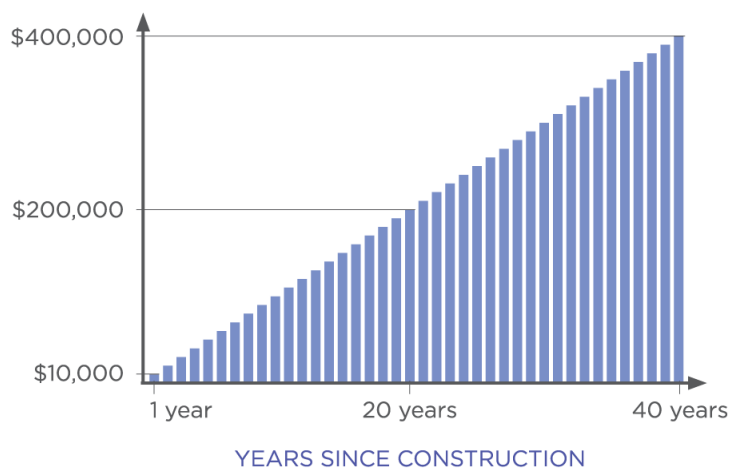
### BENEFITS OF TAX DEPRECIATION

The Australian Taxation Office (ATO) allows you to claim depreciation as a deduction in your tax return so you will pay less tax.

It forms a significant part of any successful investment strategy but it is often missed by most property investors.

The table below shows how Tax Depreciation can be used to maximise your deductions to receive a better tax return.

TOTAL DEPRECIATION



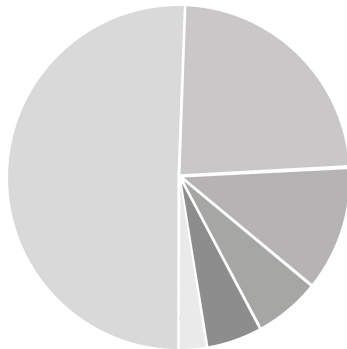
Construction Cost: \$400,000      Depreciation per year: \$10,000

NEW HOUSE 4 BED, 2 BATH AT PERSONAL TAX RATE OF 37%	EXPENSES P/A INTEREST RATES, MANAGEMENT FEES	DEPRECIATION 1ST YEAR	TOTAL DEDUCTIONS	TAX REFUND
WITHOUT DEPRECIATION	\$7,196		\$7,196	\$2,663
WITH DEPRECIATION	\$7,196	\$10,718	\$17,914	\$6,628

# Depreciation is often the second biggest Tax Deduction available on Investment Properties

2 Bed, 2 Bath, Built 2006

\*Figures from a client's previous deductions



Interest	\$23,763
Depreciation	\$11,126
Strata	\$5,527
Management Fees	\$2,929
Rates	\$2,441
Water	\$1,253
<b>Total Deductions</b>	<b>\$47,039</b>

## WHY GET A TAX DEPRECIATION SCHEDULE?

- ✓ For financial gain
- ✓ To generate additional cash flow that can be used to fund other investments
- ✓ Amend up to two prior tax returns if you haven't claimed depreciation previously
- ✓ A single report can be used year after year for up to 40 years of tax returns

## All investors should have a Tax Depreciation Schedule on their investment property, including:

- ✓ First time investors
- ✓ Experienced investors
- ✓ Self-Managed Super Funds (SMSF)
- ✓ Built-in cabinets

## Tax Depreciation applies to:

- ✓ First time investors
- ✓ Experienced investors
- ✓ Self-Managed Super Funds (SMSF)
- ✓ Built-in cabinets

## WHAT CAN YOU CLAIM DEPRECIATION ON?

### Capital Works (Division 43)

- ✓ Bricks & mortar
- ✓ Retaining walls
- ✓ Driveways
- ✓ Built-in cabinets

### Plant and Equipment (Division 40)

- ✓ Carpets & flooring
- ✓ Curtains & blinds
- ✓ White goods & electrical appliances
- ✓ Air conditioning & solar panels

## YOU CAN ALSO CLAIM DEPRECIATION ON:

- ✓ Renovations & extensions
- ✓ Replacement hot water systems
- ✓ Furniture
- ✓ Pools & pergolas
- ✓ Strata common areas

# ALL REPORTS ARE ATO COMPLIANT

## WHY CHOOSE ASSET REPORTS

- ✓ Experienced Team
- ✓ Prompt & Reliable Service
- ✓ Fast turn-around time on reports
- ✓ Competitive pricing
- ✓ Detailed site inspections

We can also provide a free estimate of the deductions available on a property, so that you can make an informed decision about whether a depreciation schedule will benefit your investment strategy.

(08) 6444 6341

qs@assetreports.com.au

www.assetreports.com.au

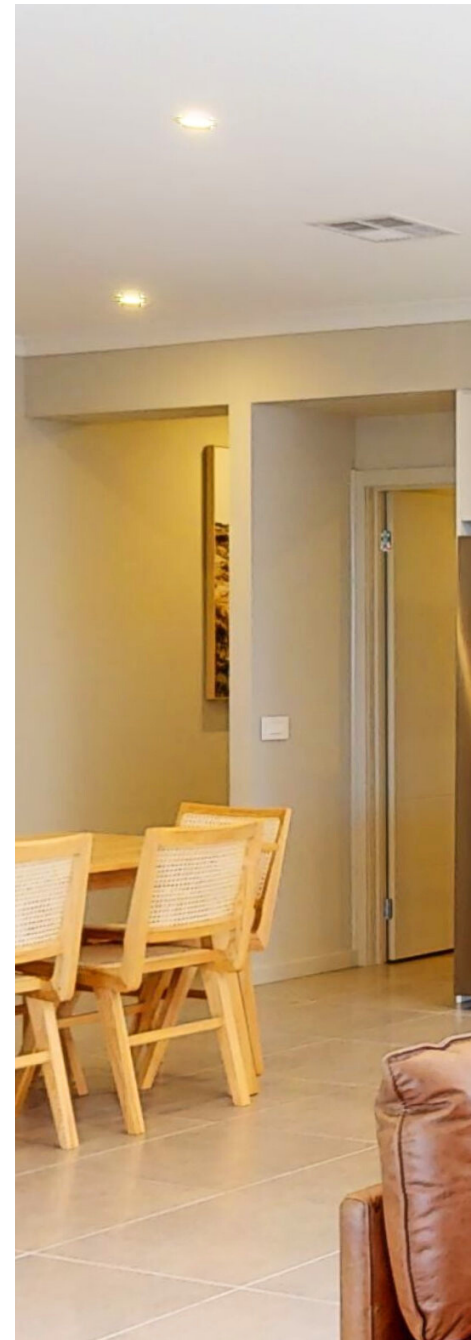


View a sample of deductions available to a residential investment property:

1. Open the camera on your smartphone
2. Hold it over the QR Code
3. Click the notification to view the content



Tax agent  
25945952



  
**assetreports**