BusinessPlus+ Newsletter

Issue – EOFY Tax Planning – June 2020

Property Investments

Deductions

- Interest on Investment Loans – taxpayers who have borrowed money for a non-business investment (e.g. rental property) can check with their lenders to see if they can prepay interest prior to 30th June 2020.
- Building Allowance – the construction costs of income producing buildings may be written off at 2.5% or 4%, depending on the date of construction. Please contact us if you require additional details.
- General expenses - can include real estate agents fees; building allowance; depreciation of fixtures, fittings, plant and equipment; share of depreciation of common property in a strata-titled property; repairs and maintenance; pest control; interest on monies borrowed for investment in the property; bank charges on the property bank account; cleaning; electricity; rates; land tax; insurance.
- Negative Gearing – the net loss, which may include interest, borrowing costs, etc., may be deductible.
- Travel Expenses – A ban on travel related tax deductions for most real estate investors now applies.

Income Issues

- Income Splitting – income splitting can be highly tax effective, especially if investments have been placed in the name of a lower income earner. This can be applicable where a spouse is not working and the income in the spouse's name would therefore be taxed at a lower rate.
- All income from a rental property - should be declared.

Providing you professional direction

Our liability may be limited by a scheme approved under Professional Standards Legislation.