

END OF THE FINANCIAL YEAR PREPARATION

**HOW TAX DEPRECIATION CAN
MAXIMISE CASH FLOW**

Tax time is fast approaching and claiming depreciation expenses can put a lot of money back in your pocket.

Investment property tax depreciation allows you to claim a tax deduction for the wear and tear of the structural elements (the actual building) and the plant and equipment (fixtures and fittings) of an investment property.

By claiming depreciation as a tax deduction, you can lower your taxable income. This in turn reduces the amount of Income tax you need to pay, leaving more cash in your pocket each year. You can use this Increased cash flow to pay down debt, create new investments or simply enjoy more disposable income. You can maximize investment property tax deductions by considering the following:

ENGAGE A REGISTERED QUANTITY SURVEYOR

To maximize investment property tax deductions, you need a detailed tax depreciation schedule. A tax depreciation schedule summarises the tax deductions you can claim on your investment property each year for up to 40 years. ATO rules insist that that a tax depreciation schedule be compiled by a registered Quantity Surveyor, who will inspect your property and ensure that every depreciable item is identified and evaluated.

CLAIM SMALL ITEMS IMMEDIATELY

To offset the usually higher costs of an investment property in the early years, claim small items as soon as possible. Items under \$301 dollars can be written off immediately.

CLAIM SCRAPPING VALUE WHEN UPGRADING OR RENOVATING

Scrapping, or residual value, is a depreciable element that many property investors overlook. You can claim a tax deduction for fixtures and fittings that are replaced during an upgrade or renovation. Have a Quantity Surveyor review your renovation plans and estimate what you will 'lose' when throwing out old carpets, kitchen cabinets or other fittings. This 'scrapping' amount can be claimed as a tax deduction.



**Have you thought about buying
another investment property?**

We currently have a fabulous new property with views! It is on the market around the mids \$400,000



Call **RENEE SPITERI** our friendly property manager for an inspection or for more details!

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Ray White Tea Gardens Hawks Nest
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A portrait of Renee Spiteri, a woman with glasses and a friendly expression, wearing a striped top and holding a white telephone receiver to her ear.