

Rental Properties

Rental Property Depreciation Deductions

From July 2017, plant and equipment depreciation deductions will be limited to the original purchasers.

Investors who already own or make purchases of plant and equipment after budget night can continue to claim deductions as in the past – however, subsequent owners will not be able to claim deductions for items purchased from the previous rental property owner.

These purchase costs will be included in the CGT cost base of the rental property for the subsequent owner.

This change applies to items that can be easily removed from the rental property, such as dishwashers.

There is no change in the deductibility of capital expenditure for construction and improvements to rental properties.

Rental Property Travel Deductions

From July 2017, travel expenses relating to the inspection, maintenance or collection of rent for a residential rental property will no longer be deductible.

Newly Constructed Residential Properties – GST

From July 2018, purchasers of newly built residential properties will be required to remit the GST directly to the ATO as part of the settlement – previously it was the developer who paid the GST to the ATO.

CGT Exemption for Non-Residents

From Budget night, foreign and temporary tax residents will not be able to apply the CGT Main Residence Exemption (PPR) and existing properties will only be grandfathered until June 2019.

Airbnb & Uber

If you are contemplating Airbnb, please be aware of the land tax, capital gains tax and taxable income implications of renting a room in your house.

If you are an Uber driver, please note that all income must be declared and you will need to be registered for GST.

This is purely factual information and general advice. It does not constitute personalised financial, business or taxation advice. The content does not take into account your personal circumstances or objectives and you must determine whether it is appropriate to you.

We recommend you make an appointment to see Charles or Matthew to obtain advice relevant to you before making any financial or taxation decisions.