

Expense / item	Deduction	Cost base
<b>Accountant's fees</b> - preparing returns, tax advice and tax return lodgment costs	✓	
<b>Advertising for tenants</b>	✓	
<b>Agent fees/commission</b> - for managing the property and collecting rent	✓	
<b>Bank charges</b> - accounts used to deposit rent and meet deductible outgoings	✓	
<b>Body corporate fees:</b>		
• For general maintenance, repairs, etc.	✓	
• For improvements		✓
<b>Building improvements</b> - extensions, alterations or structural improvements etc.	✓	✓
<b>Cleaning</b>	✓	
<b>Depreciating assets</b> (depreciation)	✓	
<b>Gardening/lawn mowing</b>	✓	
<b>Initial repairs</b> to the property	✓	✓
<b>Insurance premiums</b> - building, fire, burglary, public liability, loss of rent	✓	
<b>Interest</b>	✓	
• To acquire the rental property	✓	
• For repairs and/or renovations	✓	
• To acquire depreciating assets	✓	
• To pay deductible rental expenses	✓	
<b>Interest incurred prior to deriving rental income</b>	✓	
<b>Compound interest (generally)</b>	✓	
<b>Compound interest denied under Part IVA</b> (e.g., linked or split loans and arrangements)	X	X
<b>Land tax</b>	✓	
<b>Legal costs:</b>		
• Recovering unpaid rent and reviewing credit of proposed tenant	✓	
• To evict a non-paying tenant	✓	
• To buy or sell the property, to defend title to the property, to oppose a neighbors' building application		✓
<b>Maintenance</b> (gardening, cost of servicing assets such as the hot water system)	✓	
<b>Mortgage discharge expenses</b>	✓	
<b>Penalty interest loan refinance</b>	✓	
<b>Pest control</b>	✓	
<b>Postage and stationery</b>	✓	
<b>Prepayments</b> (e.g., interest, insurance)	✓	
<b>Quantity surveyor report</b> - for Division 40 or Division 43 purposes	✓	
<b>Rates (council and water) and land tax</b>	✓	
<b>Repairs</b>	✓	
<b>Security patrol</b>	✓	

<b>Telephone calls</b> - related to dealing with real estate agents, tenants, plumbers etc	✓	
<b>Travel</b>		
• To inspect to buy property	X	X
• To collect rent	X	X
• To inspect the property during, or at the conclusion of, a tenancy	X	X
• To undertake later repairs to property	X	X
• To undertake improvements to property	X	X

*This information is a general guide only. You should seek advice from a registered tax agent to determine the correct tax treatment based on your personal circumstances.*

For all your investment property advice needs please contact:



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If you have an interest in property development, please check out the property development section of our website for plenty of information and free resources:

<http://www.buscgroup.com.au/property-development/>