

Year End Tax Tips for Property Investors



EVANS EDWARDS

ACCOUNTANTS | AUDITORS | BUSINESS ADVISORS

Owning an investment property can provide great benefits, including additional income and entitlement to tax deductions.

Now is the time for property investors to take advantage of the tax strategies available to them this 2018/19 financial year.

Prepaid expenses

In order to minimise your tax bill this financial year, bring forward any maintenance expenditure that will need to be completed by 30 June. Ensure to distinguish between what the ATO considers a 'repair' and an 'improvement' as improvements are not immediately deductible.

Interest

Prepay interest on property investment loans if you have adequate cash flow in order to claim an immediate deduction. Investors may choose to pay interest in advance in order to simplify finances by making one prepayment of interest upfront or protect against possible interest rate rises over the 12 month period.



Record-keeping

Investors must maintain a sufficient filing system to substantiate any claims made. The ATO requires you to keep up-to-date records of things such as proof of earned rental income, all incurred expenses, periods of private use by you or your friends, periods the property was used as your main residence, loan documents and efforts to rent out the property.

Depreciation deductions

A depreciation schedule can be provided by a qualified quantity surveyor, outlining the tax deductions that are available and help to provide a significant return. The cost of a depreciation schedule is also tax deductible.

Need assistance with effective tax planning? Give us a call to find out how.

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