

2011 INCOME TAX RETURN – FOR NON-RESIDENT RENTAL PROPERTY OWNER

- ~ If you own the rental property with your spouse you only need to complete one of these forms but complete separate forms if you don't own all rental properties together.
- ~ Please ensure you sign the Letter of Engagement provided by your nominated BAN TACS office.
- ~ If you have more than one Rental Property, additional Schedules are available on the BAN TACS Tools page.

Self Assessment Obligations

Please be aware that under Australian Taxation Office self assessing system, if you are called upon to attend a desk audit, you may be required to provide receipts or other records to substantiate any claims made in your return; please refer to the Substantiation note at the end for help. Records are required to be held for 5 years from the date of lodgment of your return.

Please visit www.bantacs.com.au/aboutus.php to find a BAN TACS office near you

Our objective is to simplify your tax return process not complicate it through long detailed questions. This form sticks to the basics. When we ring you we can discuss any tax issues you may have that are outside the ordinary.

Please use this form as a guide and feel free to add information or comment when you are not sure how to address the question. Please provide both your phone number and your e-mail address so we can send you an e-mail if we cannot reach you by phone.

Preferred contact number: _____ Best contact time: morning | afternoon | evening

E-mail address: _____

Country of residence: _____ Time difference with Australia + / - _____ hours

How many rental Property's do you own? _____

Have you completed a Rental Property Schedule for each property? YES

PERSONAL DETAILS

Your Name: Mr | Mrs | Ms | Miss _____ DOB: ____ / ____ / ____

Was this the name used on your last tax return? YES NO

Details if no: _____

Your Spouse's Name: Mr | Mrs | Ms | Miss _____ DOB: ____ / ____ / ____

Was this your spouse's name used on your last tax return? YES NO

Details if no: _____

Existing clients need only provide details of changes that have occurred since you lodged your last income tax return

Your Tax File Number: _____ Spouse's Tax File Number: _____

Residential Address: _____

Postal Address: _____

Has your postal address changed since lodging a tax return? YES NO

Telephone: (W) _____ (H) _____ (M) _____

Are you a war veteran or widow/widower of a war veteran yet under the Aged Pension age? YES NO

Is your spouse a war veteran or widow/widower of a war veteran yet under the Aged Pension age? YES NO

If married / de facto in 2010/2011, what date did this occur: ____ / ____ / ____

Note, spouse includes same sex couples

TAX AGENT DETAILS

Attach a copy of your previous return if this is the first time using the services of this BAN TACS Office

Did an accountant prepare your last Income Tax Return? YES NO

If yes please provide contact details of previous accountant: _____

Will you be using our Fee from Refund Service? YES NO An Admin Charge Applies

Bank Account Details for Direct Deposit of Refunds BSB: _____ ACCT NO:: _____

Acct Name: _____

Do you have a will? YES NO

Do you have an Enduring Power of Attorney? YES NO

Do you feel comfortable that your financial affairs are under control? YES NO

If not would you like to discuss any of the areas listed below with us, or one of our affiliated service providers?

Income Protection Insurance Life Insurance Superannuation Rollup Financial Planning Strategies



Looking for a way to collate your rental property taxation information in a way that will minimize your accounting fees? Visit the Shopping section of the BAN TACS website for our Property Tax Return Worksheet

Client Name: _____

Fill Out a Separate Schedule for Each Rental Property

New clients should complete all items below. Returning clients need only provide those items not previously disclosed to your accountant

| PROPERTY DETAILS (PROPERTY HISTORY) | SUPPORTING DOCS | ATTACHED |
|--|---------------------------|--------------------------|
| Property Address (must include Post Code)* _____ _____ | | |
| Name(s) of other owner(s)* _____ _____ | | |
| Percentage of ownership allocated to you* _____ % | Purchase Contract | <input type="checkbox"/> |
| Date the property was purchased* _____ / _____ / _____ | | |
| Purchase price of the property* \$ _____ | Quantity Surveyors Report | <input type="checkbox"/> |
| Date the property was rented out for the first time* _____ / _____ / _____ | | |
| Was this property built OR improved after 17th July, 1985?* _____ Yes No | | |
| If yes you are entitled to claim depreciation on the building. To do this you are required to have a copy of the original building or improvement cost or a Quantity Surveyor's report estimating these costs. Please enclose this if this is the first year you are claiming the building or you are unable to provide the depreciation schedule from last year's tax return. | | |
| Did you still own the property as at 30th June? _____ Yes No | | |
| If not please provide date of sale _____ / _____ / _____ | Contract of Sale | <input type="checkbox"/> |
| And the sale price \$ _____ | | |
| Number of weeks the property was rented out during the financial year _____ wks | | |
| Number of weeks property was available for rent during to financial year _____ wks | | |

* This information may be available from your last tax return

PROPERTY FINANCE DETAILS -

Use the full amount of income the property earned and the full amount of expenses incurred on the property even if you don't fully own the property as our software will do the apportioning

SUPPORTING DOCS

ATTACHED

NR Denotes copies are not required by your accountant, original documents should still be maintained by you Please take care to ensure there is **no double counting in the following**, for example:

- The Total Rent Income Amount should be the actual amount paid by the tenants NOT the net amount you receive from the Real Estate Agent. The agent's fees etc are deducted later under expenses.
- If your records are so limited that you only know the net amount received from the Real Estate Agent it is OK to include that as rent income but do NOT enter anything in the Agent's Fees Expense.
- If you are entering the net amount you actually received from the Real Estate Agent and the agent paid other costs such as repairs, insurance rates etc, these amounts should NOT be entered as expenses.

| | | | |
|---|--------------------|--|--------------------------|
| Is the property mortgaged? | Yes No | | |
| With whom | _____ | | |
| Date the loan commenced | ____ / ____ / ____ | Initial Loan Document if loan is less than 5 years old (showing cost of establishment) | <input type="checkbox"/> |
| Amount of original loan | \$ _____ | | |
| Percentage of loan relating to this property | _____ % | | |
| Have you made any personal redraws on the loan? | Yes No | Loan statements showing redraw amounts | <input type="checkbox"/> |
| Have you refinanced the mortgage since purchasing the property? | Yes No | Statements showing loan closure. Initial loan documents for new loan showing reestablishment costs. | <input type="checkbox"/> |
| If yes, Date of refinancing | ____ / ____ / ____ | | <input type="checkbox"/> |

PROPERTY INCOME – No Need To Complete If you have used the BAN TACS Property Tax Return Worksheet

| | | | |
|--|----------|--------------------------------------|--------------------------|
| Total rent income received for this property | \$ _____ | Rental Rcpt Book or Agent Statements | <input type="checkbox"/> |
| Other income | \$ _____ | Eg. Bond kept to recoup damages | <input type="checkbox"/> |

PROPERTY EXPENSES – No Need To Complete If you have used the BAN TACS Property Tax Return Worksheet

| | | | | |
|----|--|----------|-------------------|--------------------------|
| D. | Advertising | \$ _____ | Invoices/Receipts | NR |
| E. | Body Corp Fees | _____ | Invoices/Receipts | NR |
| G. | Cleaning | \$ _____ | Invoices/Receipts | NR |
| H. | Council Rates | \$ _____ | Invoices/Receipts | NR |
| J. | Lawn Mowing and Gardening | \$ _____ | Invoices/Receipts | NR |
| K. | Insurance | \$ _____ | Invoices/Receipts | NR |
| L. | Interest paid on loan where the money borrowed was used to purchase the property (It doesn't matter where the loan is secured just what it was used for) | \$ _____ | Bank Statements | <input type="checkbox"/> |
| M. | Land Tax | \$ _____ | Invoices/Receipts | NR |
| N. | Legal Costs (in relation to tenants not purchase of property) | \$ _____ | Invoices/Receipts | NR |
| O. | Pest Control | \$ _____ | Invoices/Receipts | NR |
| P. | Property Agents Fees/Commissions (including their mailing and sundries fee) | \$ _____ | Agent Statements | <input type="checkbox"/> |
| | Water Rates | \$ _____ | Invoices/Receipts | NR |
| | Sundry Expenses | \$ _____ | Invoices/Receipts | <input type="checkbox"/> |
| | Bank Fees | \$ _____ | Bank Statements | <input type="checkbox"/> |

PLANT AND EQUIPMENT DEPRECIATION

If this is the first year we have prepared your income tax return please make sure you send us a copy of your depreciation schedule from last year's tax return. If this is the first year you have held this property as a rental we will need to contact you and discuss the value of the plant and equipment held in the property. It is not necessary to have a quantity surveyors report to do this but if you obtain a quantity surveyors report for the building depreciation it will also include the plant and equipment. If you have previously lived in the property and this is the first year you have rented it out you should keep any information you have on the whole property's market value for future CGT purposes and photos. To claim plant and equipment you will have to estimate their values when you first purchased the house and we will amortise the depreciation from back then. If you have had the plant and equipment for over 10 years it is probably not worth the paper work. We will also need the date for when you either purchased the house or each piece of plant and equipment; whichever is the most recent.

Plant and Equipment

Items such as carpets, stoves, hot water systems, air conditioners, some light fittings, fans, curtains etc.

Repairs & Maintenance and Improvements

Repairs & Maintenance, not improvements are deductible. For example if the house needed painting when you bought it then painting it would be an improvement, therefore not deductible. On the other hand if during the time of your ownership the paint starts to peel and you repaint, the expense would be a deduction. No deduction is available for your own labour. Take care to perform repairs only when the premises are tenanted or in a period where the property will be tenanted before and after with no private use in the middle (IT180). IT 180 states that to claim, the repair needs to be made during a financial year that rent is received.

If a property is used only as a rental property during the whole year then a repair would be fully deductible even though some of the damage may have been done in previous years when the property was used for private purposes (TR97/23). Note this does not apply if the damage was done in a period you did not own the property. If the state of disrepair the property was in at the time you purchased it is directly responsible for further damage when you own it, all the repairs relating to that damage are considered improvements (Law Shipping Co. UK). A repair can become an improvement if it does not restore things to their original state (case M60) i.e. replacing a metal roof with tiles. The whole cost of the tiled roof would be an improvement and no deduction would be available for what it would have cost you to put up another metal roof. But a change is not always an improvement. In ID 2002/330 the ATO states that the cost of removing carpets and polishing the existing floorboards is deductible. Yet in ID 2001/30 underpinning due to subsidence was considered by the ATO to be an improvement not a repair. It is not necessary to use the original materials to restore the thing or structure to its original state. Modern materials can be used even when these might be a slight improvement because they are more efficient. As long as the benefit is only minor or incidental it can still be considered a repair.

Work that replaces the whole thing or structure is an improvement not a repair. So don't pull down all of the old fence and replace it just replace the damaged area. TR 97/23 recognises that eventually the whole thing or structure may be replaced in a progression of repairs. These repairs are still deductible providing each repair is on a small scale, the progression is over a long period of time and that it is not just in reality a replacement done over time but individual repairs.

Tree removal is claimable if the trees have become diseased or infested during the time of ownership. Removal is also claimable if the tree is causing damage such as roots interfering with pipes and the damage was not present when you purchased the property. If a tree is removed because it may cause damage in the future or you are fed up with the leaf litter that has always happened since you bought the property, then you are making an improvement which is not deductible.

Note improvements can increase your cost base for CGT purposes so it is still important to keep the receipt.

Q&R. PLANT & EQUIPMENT, REPAIRS, IMPROVEMENTS – ONLY ITEMS PURCHASED FINANCIAL YEAR**INVOICE
ATTACHED**

| PURCHASE DATE | DESCRIPTION OF ITEM PURCHASED | PLANT & EQUIPMENT | REPAIRS | IMPROVEMENT | |
|---------------|-------------------------------|-------------------|---------|-------------|--------------------------|
| / / | | \$ | \$ | \$ | <input type="checkbox"/> |
| / / | | \$ | \$ | \$ | <input type="checkbox"/> |
| / / | | \$ | \$ | \$ | <input type="checkbox"/> |
| / / | | \$ | \$ | \$ | <input type="checkbox"/> |
| / / | | \$ | \$ | \$ | <input type="checkbox"/> |
| / / | | \$ | \$ | \$ | <input type="checkbox"/> |
| / / | | \$ | \$ | \$ | <input type="checkbox"/> |

S. ITEMS: STATIONARY, POSTAGE, PHONE AND OTHER ITEMS NOT LISTED ANYWHERE ABOVE

| ITEM DESCRIPTION | AMOUNT | DATE OF PAYMENT | EVIDENCE |
|------------------|--------|-----------------|--------------------------|
| | \$ | / / | <input type="checkbox"/> |
| | \$ | / / | <input type="checkbox"/> |
| | \$ | / / | <input type="checkbox"/> |
| | \$ | / / | <input type="checkbox"/> |
| | \$ | / / | <input type="checkbox"/> |
| | \$ | / / | <input type="checkbox"/> |
| | \$ | / / | <input type="checkbox"/> |
| | \$ | / / | <input type="checkbox"/> |
| | \$ | / / | <input type="checkbox"/> |

T. TRAVEL CLAIMS

Travel costs can certainly be legitimate deductions, they include motor vehicle and airfares, if you sleep away from home accommodation and food costs are included. When the travel involves staying away from home it is important to keep a diary so you can show what portion of your time was spent on the property and that it wasn't really a holiday. If you stay away for **more than 5 nights then a diary is compulsory**. Where there was also a holiday motive then your costs will need to be apportioned. You of course, also need to keep receipts, though if you can't get a receipt (ie vending machines) just write it in the diary.

If Claiming Air Fares, days should add up to your total days away.

If you are working on the rental property all week the weekend is not considered private days, so include those days in regard to the rental property.

| | SUPPORTING DOCS | ATTACHED |
|---|-----------------|---|
| Air fares to visit rental property (Do not include travel in relation to purchasing the property) \$ _____ | | Travel Diary <input type="checkbox"/> |
| How many days of the trip were private _____ days | | |
| Days regarding rental property _____ days | | |
| Accommodation and food costs (Only for days you were travelling in regard to the rental property) \$ _____ | | Copies of Invoices <input type="checkbox"/> |
| Other Travel Expenses (eg Parking, taxis & tolls) \$ _____ | | |

CAR CLAIMS – a car provided by your employer, even if salary sacrificed cannot be claimed here

A detailed reasonable estimate of the kms travelled for the rental property is required; eg, a diary for one month which is representative of the whole year or, if spasmodic, a list for each trip.

| | |
|--|--|
| Car 1 Make and Model _____ | Car 2 Make and Model _____ |
| Car 1 Number Plate _____ | Car 2 Number Plate _____ |
| Car 1 Engine Capacity in Litres (cubic capacity) <input type="checkbox"/> 1.6 litres or less <input type="checkbox"/> over 1.6 up to 2.6litres <input type="checkbox"/> over 2.6 litres | Car 2 Engine Capacity in Litres (cubic capacity) <input type="checkbox"/> 1.6 litres or less <input type="checkbox"/> over 1.6 up to 2.6litres <input type="checkbox"/> over 2.6 litres |
| Kilometres travelled in car 1 in regard to the property (Do not include travel in relation to purchasing the property) _____ kms | Kilometres travelled in car 2 in regard to the property (Do not include travel in relation to purchasing the property) _____ kms |