

Whose Name to put on the Title Deed

This document is prepared to help a couple with small children decide what name should be on the titled deed of a **negatively** geared investment property. If your circumstances do not fit this description please seek professional advice. In fact you really should always discuss these sorts of purchases with your Accountant first. This is prepared on the basis that few people do consult their accountant before purchasing a property so this is the next best thing but for obvious reasons we disclaim responsibility for any decisions based on the following.

It is not intended that this document should give a perfect result as that would require a crystal ball and much more detail. All it can achieve is a ball park answer for simple scenarios. As stated above it is a cheap way out for people not prepared to pay an Accountant to provide an accurate answer. Further an assumption has been made as to your risk profile; in an interview with an accountant you would be able to express your concerns and better work through the methods of achieving your goals.

The relevant tax brackets

Promises for 2008/2009		
0	- 6,000	0%
6,001	- 34,000	15%
30,001	- 80,000	30%
75,001	- 180,000	40%
150,001	+	45%

Promises for 2009/2010		
0	- 6,000	0%
6,001	- 35,000	15%
34,001	- 80,000	30%
80,001	- 180,000	38%
180,001	+	45%

Assess your position

1	Is either Mum or Dad at risk of being sued?	Yes Both	Your affairs are not simple You need professional advise
		Only One	Go to question 2
		No	
2	For the majority of the time the property is owned, will Mum and Dad be in the same tax bracket after accounting for the rental loss? (Tax is minimised once you are in the same bracket, the same amount of income is not necessary)	Yes	Option 1: Own equally, or Option 2: Own in the name of the spouse unlikely to be sued
		No	Go to question 3
3	Is the low income earner likely to be sued?	Yes	Go to question 5
		No	Go to question 4
4	Will the high income earner's employer allow him or her to salary sacrifice rental expenses? (to view the Salary Sacrifice Kit go to www.bantacs.com.au/fbt_rental.php)	Yes	Own 1% in the name of the high income earner & 99% in the name of the low income earner with the high income earner salary sacrificing all of the rental property cash flow expenses
		No	Go to question 5
5	Will Mum and Dad hold this property until they retire and will the property be negatively geared or the majority of the time?	Yes	Buy in the name of the high income earner
		No	You need professional advise