

INCOME TAX RETURN 2011 – MAIL-IN 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.
- ~ If you have more than one Rental Property, additional Schedules are available under the heading Additional Forms just below where you obtained this form on the mail-ins 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.

How to Mail-In Your Tax Return

Post this completed form and all attachments to our Tenterfield office: **98 High Street, Tenterfield NSW 2372**

Cost

The standard price for a basic return is only \$150
 The standard price for each Rental Property Schedule is \$99. If the rental property is jointly owned, you will only be charged this once.
 Please note payment is required at the time of receiving your work.
 If your return is more complex and will result in a higher fee than this, we will ring you before we start.

Payment Methods

	Cheque	Or Electronic Payment
Cheques made out to:	LG Tax & Accounting Solutions	BSB: 062-605
Posted to:	98 High Street, Tenterfield NSW 2372	Account Number: 10109509

Enquires

Ring: Robyn or Kelly on 02 6736 5383
 Email: robyn@bantacs.com.au
kelly@bantacs.com.au

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. We will be in contact with you personally when your tax return is being prepared so do not worry if you don't understand something, we can discuss it when we ring. Please provide both your phone number for this purpose 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

CLIENT LETTER OF ENGAGEMENT

This document sets out the terms of your engagement of BAN TACS at Tenterfield trading as LG Tax & Accounting Solutions' as your Accountant/Tax Agent. Any changes to the scope of engagement as set out below shall only be made by agreement between both parties.

In acting as your Tax Agent LG Tax & Accounting Solutions will:

- (a) analyse, discuss and make recommendations regarding your Individual Tax return; and
- (b) prepare and lodge your tax returns

In addition to the basic financial information required to complete these tax returns, it is expected that clients will make source documentation available upon request.

Clients are responsible for ensuring compliance with the substantiation provisions of the Income Tax Assessment Act. LG Tax and Accounting Solutions will not be responsible for any errors brought about by the clients failure to provide information or documentation or failure to provide material that is later found to be material to the client's tax affairs.

Clients are responsible for the timely provision of information. LG Tax and Accounting Solutions will not be responsible for any late lodgement or other fees and fines brought about by your failure act in a timely manner.

Any estimate of a refund you may be owed is only an estimate and LG Tax & Accounting Solutions will not be responsible nor will we accept liability if the Australian Taxation Office determines your liability to be different than that lodged by us.

Professional Fees and Payments

Unless other terms have been agreed to, we will require payment on completion of your work and prior to lodgement with the ATO. We will provide you with an itemised account of all fees, costs and disbursements upon request.

LG Tax & Accounting Solutions utilizes the EasyTrust system which enables your refund to be deposited to a trust account, your fees are then deducted and the balance of your refund deposited directly to your nominated bank account. EasyTrust will apply an Administration Fee of \$11.00 for each transaction processed through this service.

To access this service you must complete a fee from refund application prior to lodgement of your return.

Notice of Assessment

Unless otherwise agreed your Notice of Assessment will be mailed directly to your nominated postal address. It is your responsibility to provide LG Tax & Accounting Solutions with current and correct contact details.

If you do not receive your Notice of Assessment within 28 days of lodgement you should contact this office to enable us to track your return with the ATO.

As this is an important Tax Record and you may need it for identification purposes in the future. It is important that you retain it for the specified period of time (usually 5 years). LG Tax & Accounting Solutions will not have a copy on file and it may take up to 28 days to request a replacement.

Acknowledgement and Confirmation

I (Taxpayer) hereby acknowledge and accept the terms of this engagement as have been provided. I shall be personally liable for all fees for services performed in accordance with such agreement.

Effective from the date below I appoint LG Tax & Accounting Solutions as my tax agent and authorise them to act as my representative to the Australian Taxation Office in relation to my taxation affairs.

Client Signature

Date

Spouse Signature

Date

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 this mail-in service

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 (\$11.00 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

INCOME

Did you receive Australian income other than from your rental property? YES NO

If yes please provide details below

NAME OF ENTITY

AMOUNT

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

If yes please complete a CGT Schedule, available under Additional Forms where you obtained this form on the mail-ins page

Was any of the above income a Capital Gain? YES NO

EXPENSES

What were the total fees you paid to a tax agent during 2010/11? \$ _____

Did you have Australian expenses other than from your rental property? YES NO

If yes please provide details below

NAME OF ENTITY

AMOUNT

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

ATTACHMENTS

Please enclose the following if they apply to you

Enclosed

Statement for any tax deductible superannuation contributions you have made to an Australian Superannuation fund

Statement for any superannuation contributions you have made for your spouse to an Australian Superannuation fund

HECS or HELP loan statements

Receipts for PAYG Installments made on your investment income

Correspondence you have received from the ATO in the past 12 months



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

RENTAL PROPERTY SCHEDULE 2011

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	_____	Initial Loan Document if loan is less than 5 years old (showing cost of establishment)	<input type="checkbox"/>
Date the loan commenced	____ / ____ / ____		
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	SUPPORTING DOCS	ATTACHED
<p>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.</p> <p>If Claiming Air Fares, days should add up to your total days away.</p> <p>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.</p>		
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) \$ _____		
<p>CAR CLAIMS – a car provided by your employer, even if salary sacrificed cannot be claimed here</p> <p>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.</p>		
Car 1 Make and Model _____ Car 1 Number Plate _____	Car 2 Make and Model _____ Car 2 Number Plate _____	
Car 1 Engine Capacity in Litres (cubic capacity) <ul style="list-style-type: none"> <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) <ul style="list-style-type: none"> <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	