FOR OWNERS

Smart Moves for Owners ahead of Tax Time

If you own a rental property - whether it's one or many - it pays to get organised well ahead of tax season. We recommend starting to gather paperwork around May, so when the fiscal year ends you're ready to go. Here are seven key steps most savvy owners follow.

1. Talk to an accountant / tax pro

Getting professional advice is always a smart move. If you don't already have a depreciation schedule, chat to your accountant about getting one. Many owners skip this step, but it can unlock valuable deductions.

2. Check in with your property manager

Ask for the full income & expenditure report (usually provided early July) to capture what's already been recorded, but remember that some deductible items might not be included automatically. Use this as a chance to double check the rental market, review property values, and ensure the records reflect everything.

3. Consider small improvements before 30 June

If the property needs minor repairs or upgrades and you can get them done before the end of the financial year, you may be able to claim them. It's a handy window to turn necessary maintenance into deductible costs.

4. Get your paperwork sorted and keep it organised

All receipts, invoices, loan statements, insurance paperwork, property management bills, maintenance/repair records - anything related to running the property. Put them into a spreadsheet or a digital filing system. This not only makes tax time easier, but gives you a clearer view of how your investment's performing.

5. Brush up on what you can (and can't) claim

It's worth understanding current rules about deductions. Typical claimable items include:

- Interest on the mortgage (for the portion used for the rental property)
- Property management or professional fees (accountant, legal, management, etc.)
- Maintenance, repairs, insurance, rates and other running costs
- Depreciation on fixtures, fittings and building (if you have a depreciation schedule)

But be careful: not everything qualifies. For instance, you generally can't claim capital works or major improvements all at once, these often need to be claimed over a number of years.

6. Review your insurance & other running costs

Take a look at your landlord/building insurance, contents insurance, and any other insurances or expenses tied to the property. Ensure your coverage is still appropriate and that you've accounted for all insurance costs over the past 12 months. These are often deductible.

7. Plan the timing of your sale

If you're about to sell, it's worthwhile seriously considering waiting until after 30 June. Delaying the sale could push the tax event into the next financial year, which may help with tax planning depending on your situation.

Why all this matters

- The Australian Taxation Office (ATO) has made it clear rental-property income and deductions are under increasing scrutiny. Mistakes are common, especially around what constitutes a deductible expense vs. a capital improvement.
- Good record keeping (for at least five years) is vital, you need to be able to prove any claim you make.
- A proper depreciation schedule often uncovers deduction opportunities many owners overlook.