



Tax Depreciation For Strata and Commercial Buildings



What is Depreciation

Depreciation is the amount of money you can “write-off” (claim as expensed or used up) against the value of any assets used in the course of producing assessable income.

In the case of property investors, investors may offset their taxable income against expenditure on plant and equipment used to produce assessable income.

Plant and Equipment includes items such as Ovens, Dishwashers, Carpets Blinds, Lifts, etc. The ATO provides specific guidelines as to how these write-offs are to occur.

Who Can claim the Depreciation?

Depreciation can be claimed by the owner of the Plant and Equipment, the one who is earning income from the use of these items.

Accountants and Valuers are not allowed to prepare a schedule under the ATO Rulings, and if you prepare your own schedule that is incorrect, the risk of heavy fines is far greater.

By having an external, independent and professional person prepare your Depreciation Schedule the authenticity and legitimacy of your claims are enhanced.

Sample Tax Depreciation Independent Inspections

Devaluation Comparison

| Description | Price | Diminishing Value Method | | Prime Cost Method | |
|--------------------------|--------------|--------------------------|-------------------|-------------------|-------------------|
| | | Depreciation % | Depreciated Price | Depreciation % | Depreciated Price |
| Unit | | | | | |
| Carpet Flooring | \$1,050.00 | 10.00% | \$69.62 | 5.00% | \$34.81 |
| Hot Water System | \$3,500.00 | 16.66% | \$386.60 | 8.33% | \$193.30 |
| Curtains/Blinds | \$1,800.00 | 20.00% | \$238.68 | 10.00% | \$119.34 |
| Air Conditioner System | \$3,500.00 | 20.00% | \$464.11 | 10.00% | \$232.05 |
| Motorised Roller Door | \$1,000.00 | 40.00% | \$265.21 | 20.00% | \$132.60 |
| Light and Power fittings | \$3,500.00 | 40.00% | \$928.22 | 20.00% | \$464.11 |
| Sub Totals: | \$14,350.00 | | \$2,352.44 | | \$1,176.22 |
| Low Value Pool | | | | | |
| Wall Oven | \$990.00 | 18.75% | \$185.63 | 18.75% | \$185.63 |
| Rangehood | \$450.00 | 18.75% | \$84.38 | 18.75% | \$84.38 |
| Dishwasher | \$950.00 | 18.75% | \$178.13 | 18.75% | \$178.13 |
| Cooktop | \$970.00 | 18.75% | \$181.88 | 18.75% | \$181.88 |
| Sub Totals: | \$3,360.00 | | \$630.00 | | \$630.00 |
| Building | | | | | |
| Property | \$172,000.00 | 2.50% | \$2,850.96 | 2.50% | \$2,850.96 |
| Common Property | \$950.00 | 2.50% | \$15.75 | 2.50% | \$15.75 |
| Sub Totals: | \$172,950.00 | | \$2,866.71 | | \$2,866.71 |
| Totals: | \$190,660.00 | | \$5,849.14 | | \$4,672.92 |

Independent Inspections /FWR Group Pty Ltd

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Qualifications:

- Diploma of Civil Engineering
- Associate Diploma of Laboratory Operations
- Diploma of Quality Management
- Diploma of Business
- Lead Environmental Auditor
- Diploma of workplace training and Assessment
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