

TAX DEPRECIATION & CAPITAL ALLOWANCE SCHEDULES 2019

We protect your investment
and get you maximum tax returns



assetreports

31st July 2019

Royce and Tracey Goodall
88 Marine Terrace,
Fremantle WA 6160

RE: Tax Depreciation & Capital Allowance 88 Marine Terrace, Fremantle WA 6160.

Please find enclosed the Tax Depreciation & Capital Allowance Schedule for your investment property.

The contents of this Schedule should be treated as advice on construction costs and the like, not as legal, accounting or taxation advice. We recommend that you consult with your tax advisors before relying on the information provided herein.

Whilst preparing this document, we have applied interpretations of the Tax Commissioner's current intentions.

If this property changes ownership, then the contents of this report will no longer be valid and the new owner should contact our office to maximize their depreciation claim.

Should you have any queries or require any clarification on any aspect of the schedule please contact Asset Reports on (08) 6444 6341.

Yours Sincerely,

John Williams
Director

Tax Agent Reg No. 25945952
Asset Reports QS Pty Ltd



Tax agent
25945952

IMPORTANT NOTICE FROM ASSET REPORTS

What you need to know about your Schedule:

On the 9th May 2017 a new Tax Ruling (Housing Tax Integrity Bill 2017) was introduced which affects what an Investor can claim for their established property. Below is a brief outline explaining the change. Should you have any questions please call our office on 1800 4 REPORTS.

If you have owned and leased your Residential property before 1st July 2017:

Your schedule will show your available deductions for Capital Works (Construction) and Plant and Equipment (if applicable).

If you have owned your Residential property before the 9th May 2017 and leased your property after the 1st July 2017:

Your Schedule will show deductions for Capital Works (Construction) and only brand new Plant and Equipment that has been added by yourself during the leasing period.

If you purchased your property after the 9th May 2017:

Your Schedule will show deductions for Capital Works (Construction) and only brand new Plant and Equipment that has been added by yourself during the leasing period.

*Brand New Properties and Commercial Properties are except from the new changes

TABLE OF CONTENTS

1. Property Information
2. Depreciation Schedule Summary
3. Depreciation Method Comparison Chart
4. Tax Depreciation Schedule Summary
DIMINISHING VALUE METHOD
5. Tax Depreciation Schedule Worksheets
DIMINISHING VALUE METHOD
6. Tax Depreciation Schedule Summary
PRIME COST METHOD
7. Tax Depreciation Schedule Worksheets
PRIME COST METHOD
8. Relevant Tax Rulings and Documentation
9. Glossary of Terms
10. General Information and Disclaimer

1. PROPERTY INFORMATION

88 Marine Terrace, Fremantle WA 6160

Date of Settlement	11 th May 2017
---------------------------	---------------------------

Year Built	2013
-------------------	------

Start Date of Depreciation Schedule	11 th May 2017
--	---------------------------

Number of Depreciation Days in Year 1	50 Days
--	---------

Assessed Value of Construction	\$123,428
---------------------------------------	-----------

Value of Capital Improvements	\$4,664
--------------------------------------	---------

Unit Entitlement	0.20
-------------------------	------

First Year Depreciation – Diminishing Value Method	\$1,471
---	---------

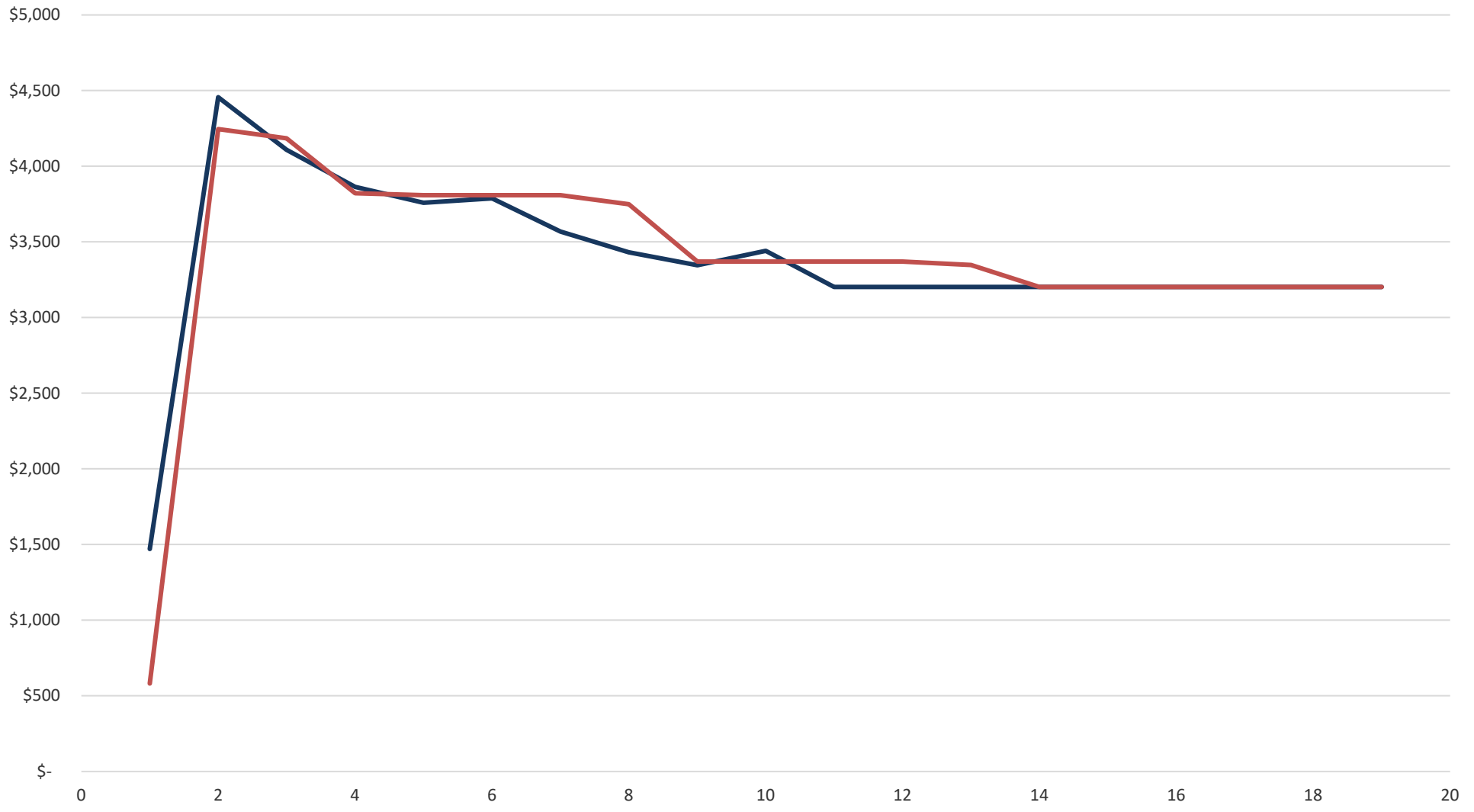
First Year Depreciation – Prime Cost Method	\$582
--	-------

Total Deductions - 40 Year Forecast - 88 Marine Terrace, Fremantle WA 6160

The 40 year summary below outlines the total annual deductions available on your property. These totals include the division 43 and division 40 components. Both the Diminishing Value Method (DVM) and Prime Cost Method (PCM) values are shown for easy comparison along with the chart on the following page.

YEAR	FINANCIAL YEAR	DVM TOTAL DEPRECIATION (\$)	PCM TOTAL DEPRECIATION (\$)	YEAR	FINANCIAL YEAR	DVM TOTAL DEPRECIATION (\$)	PCM TOTAL DEPRECIATION (\$)
1	2016/2017	\$ 1,471	\$ 582	21	2036/2037	\$ 3,202	\$ 3,202
2	2017/2018	\$ 4,456	\$ 4,246	22	2037/2038	\$ 3,202	\$ 3,202
3	2018/2019	\$ 4,108	\$ 4,185	23	2038/2039	\$ 3,202	\$ 3,202
4	2019/2020	\$ 3,864	\$ 3,822	24	2039/2040	\$ 3,202	\$ 3,202
5	2020/2021	\$ 3,759	\$ 3,808	25	2040/2041	\$ 3,202	\$ 3,202
6	2021/2022	\$ 3,788	\$ 3,808	26	2041/2042	\$ 3,202	\$ 3,202
7	2022/2023	\$ 3,568	\$ 3,808	27	2042/2043	\$ 3,202	\$ 3,202
8	2023/2024	\$ 3,431	\$ 3,749	28	2043/2044	\$ 3,202	\$ 3,202
9	2024/2025	\$ 3,345	\$ 3,370	29	2044/2045	\$ 3,202	\$ 3,202
10	2025/2026	\$ 3,440	\$ 3,370	30	2045/2046	\$ 3,202	\$ 3,202
11	2026/2027	\$ 3,202	\$ 3,370	31	2046/2047	\$ 3,202	\$ 3,202
12	2027/2028	\$ 3,202	\$ 3,370	32	2047/2048	\$ 3,202	\$ 3,202
13	2028/2029	\$ 3,202	\$ 3,348	33	2048/2049	\$ 3,202	\$ 3,202
14	2029/2030	\$ 3,202	\$ 3,202	34	2049/2050	\$ 3,202	\$ 3,202
15	2030/2031	\$ 3,202	\$ 3,202	35	2050/2051	\$ 3,202	\$ 3,202
16	2031/2032	\$ 3,202	\$ 3,202	36	2051/2052	\$ 3,202	\$ 3,202
17	2032/2033	\$ 3,202	\$ 3,202	37	2052/2053	\$ 3,202	\$ 3,202
18	2033/2034	\$ 3,202	\$ 3,202	38	2053/2054	\$ 1,659	\$ 1,659
19	2034/2035	\$ 3,202	\$ 3,202	39	2054/2055	\$ 117	\$ 117
20	2035/2036	\$ 3,202	\$ 3,202	40	2055/2056	\$ 117	\$ 117
				41	2056/2057	\$ 87	\$ 87
				TOTAL		\$ 123,672	\$ 123,672

20 Years Depreciation Comparison DVM Vs PCM



— DVM TOTAL DEPRECIATION (\$) — PCM TOTAL DEPRECIATION (\$)

**TAX DEPRECIATION SCHEDULE
DIMINISHING VALUE METHOD - 40 YEAR SUMMARY**

88 Marine Terrace, Fremantle WA 6160

YEAR NO.	FINANCIAL YEAR	PLANT & EQUIPMENT	LOW VALUE POOLED ITEMS	CAPITAL ALLOWANCES	CAPITAL IMPROVEMENTS	TOTAL DEPRECIATION
1	2016/2017	\$ 832	\$ 200	\$ 423	\$ 16	\$ 1,471
2	2017/2018	\$ 929	\$ 325	\$ 3,086	\$ 117	\$ 4,456
3	2018/2019	\$ 703	\$ 203	\$ 3,086	\$ 117	\$ 4,108
4	2019/2020	\$ 534	\$ 127	\$ 3,086	\$ 117	\$ 3,864
5	2020/2021	\$ 190	\$ 367	\$ 3,086	\$ 117	\$ 3,759
6	2021/2022	\$ -	\$ 585	\$ 3,086	\$ 117	\$ 3,788
7	2022/2023	\$ -	\$ 366	\$ 3,086	\$ 117	\$ 3,568
8	2023/2024	\$ -	\$ 229	\$ 3,086	\$ 117	\$ 3,431
9	2024/2025	\$ -	\$ 143	\$ 3,086	\$ 117	\$ 3,345
10	2025/2026	\$ -	\$ 238	\$ 3,086	\$ 117	\$ 3,440
11	2026/2027	\$ -	\$ -	\$ 3,086	\$ 117	\$ 3,202
12	2027/2028	\$ -	\$ -	\$ 3,086	\$ 117	\$ 3,202
13	2028/2029	\$ -	\$ -	\$ 3,086	\$ 117	\$ 3,202
14	2029/2030	\$ -	\$ -	\$ 3,086	\$ 117	\$ 3,202
15	2030/2031	\$ -	\$ -	\$ 3,086	\$ 117	\$ 3,202
16	2031/2032	\$ -	\$ -	\$ 3,086	\$ 117	\$ 3,202
17	2032/2033	\$ -	\$ -	\$ 3,086	\$ 117	\$ 3,202
18	2033/2034	\$ -	\$ -	\$ 3,086	\$ 117	\$ 3,202
19	2034/2035	\$ -	\$ -	\$ 3,086	\$ 117	\$ 3,202
20	2035/2036	\$ -	\$ -	\$ 3,086	\$ 117	\$ 3,202
21	2036/2037	\$ -	\$ -	\$ 3,086	\$ 117	\$ 3,202
22	2037/2038	\$ -	\$ -	\$ 3,086	\$ 117	\$ 3,202
23	2038/2039	\$ -	\$ -	\$ 3,086	\$ 117	\$ 3,202
24	2039/2040	\$ -	\$ -	\$ 3,086	\$ 117	\$ 3,202
25	2040/2041	\$ -	\$ -	\$ 3,086	\$ 117	\$ 3,202
26	2041/2042	\$ -	\$ -	\$ 3,086	\$ 117	\$ 3,202
27	2042/2043	\$ -	\$ -	\$ 3,086	\$ 117	\$ 3,202
28	2043/2044	\$ -	\$ -	\$ 3,086	\$ 117	\$ 3,202
29	2044/2045	\$ -	\$ -	\$ 3,086	\$ 117	\$ 3,202
30	2045/2046	\$ -	\$ -	\$ 3,086	\$ 117	\$ 3,202
31	2046/2047	\$ -	\$ -	\$ 3,086	\$ 117	\$ 3,202
32	2047/2048	\$ -	\$ -	\$ 3,086	\$ 117	\$ 3,202
33	2048/2049	\$ -	\$ -	\$ 3,086	\$ 117	\$ 3,202
34	2049/2050	\$ -	\$ -	\$ 3,086	\$ 117	\$ 3,202
35	2050/2051	\$ -	\$ -	\$ 3,086	\$ 117	\$ 3,202
36	2051/2052	\$ -	\$ -	\$ 3,086	\$ 117	\$ 3,202
37	2052/2053	\$ -	\$ -	\$ 3,086	\$ 117	\$ 3,202
38	2053/2054	\$ -	\$ -	\$ 1,543	\$ 117	\$ 1,659
39	2054/2055	\$ -	\$ -	\$ -	\$ 117	\$ 117
40	2055/2056	\$ -	\$ -	\$ -	\$ 117	\$ 117
41	2056/2057	\$ -	\$ -	\$ -	\$ 87	\$ 87
TOTAL		\$ 3,188	\$ 2,783	\$ 113,051	\$ 4,651	\$ 123,672

**TAX DEPRECIATION SCHEDULE
PRIME COST METHOD - 40 YEAR SUMMARY**

88 Marine Terrace, Fremantle WA 6160

YEAR NO.	FINANCIAL YEAR	PLANT & EQUIPMENT	CAPITAL ALLOWANCES	CAPITAL IMPROVEMENTS	TOTAL DEPRECIATION
1	2016/2017	\$ 143	\$ 423	\$ 16	\$ 582
2	2017/2018	\$ 1,043	\$ 3,086	\$ 117	\$ 4,246
3	2018/2019	\$ 983	\$ 3,086	\$ 117	\$ 4,185
4	2019/2020	\$ 620	\$ 3,086	\$ 117	\$ 3,822
5	2020/2021	\$ 606	\$ 3,086	\$ 117	\$ 3,808
6	2021/2022	\$ 606	\$ 3,086	\$ 117	\$ 3,808
7	2022/2023	\$ 606	\$ 3,086	\$ 117	\$ 3,808
8	2023/2024	\$ 547	\$ 3,086	\$ 117	\$ 3,749
9	2024/2025	\$ 168	\$ 3,086	\$ 117	\$ 3,370
10	2025/2026	\$ 168	\$ 3,086	\$ 117	\$ 3,370
11	2026/2027	\$ 167	\$ 3,086	\$ 117	\$ 3,370
12	2027/2028	\$ 168	\$ 3,086	\$ 117	\$ 3,370
13	2028/2029	\$ 146	\$ 3,086	\$ 117	\$ 3,348
14	2029/2030	\$ -	\$ 3,086	\$ 117	\$ 3,202
15	2030/2031	\$ -	\$ 3,086	\$ 117	\$ 3,202
16	2031/2032	\$ -	\$ 3,086	\$ 117	\$ 3,202
17	2032/2033	\$ -	\$ 3,086	\$ 117	\$ 3,202
18	2033/2034	\$ -	\$ 3,086	\$ 117	\$ 3,202
19	2034/2035	\$ -	\$ 3,086	\$ 117	\$ 3,202
20	2035/2036	\$ -	\$ 3,086	\$ 117	\$ 3,202
21	2036/2037	\$ -	\$ 3,086	\$ 117	\$ 3,202
22	2037/2038	\$ -	\$ 3,086	\$ 117	\$ 3,202
23	2038/2039	\$ -	\$ 3,086	\$ 117	\$ 3,202
24	2039/2040	\$ -	\$ 3,086	\$ 117	\$ 3,202
25	2040/2041	\$ -	\$ 3,086	\$ 117	\$ 3,202
26	2041/2042	\$ -	\$ 3,086	\$ 117	\$ 3,202
27	2042/2043	\$ -	\$ 3,086	\$ 117	\$ 3,202
28	2043/2044	\$ -	\$ 3,086	\$ 117	\$ 3,202
29	2044/2045	\$ -	\$ 3,086	\$ 117	\$ 3,202
30	2045/2046	\$ -	\$ 3,086	\$ 117	\$ 3,202
31	2046/2047	\$ -	\$ 3,086	\$ 117	\$ 3,202
32	2047/2048	\$ -	\$ 3,086	\$ 117	\$ 3,202
33	2048/2049	\$ -	\$ 3,086	\$ 117	\$ 3,202
34	2049/2050	\$ -	\$ 3,086	\$ 117	\$ 3,202
35	2050/2051	\$ -	\$ 3,086	\$ 117	\$ 3,202
36	2051/2052	\$ -	\$ 3,086	\$ 117	\$ 3,202
37	2052/2053	\$ -	\$ 3,086	\$ 117	\$ 3,202
38	2053/2054	\$ -	\$ 1,543	\$ 117	\$ 1,659
39	2054/2055	\$ -	\$ -	\$ 117	\$ 117
40	2055/2056	\$ -	\$ -	\$ 117	\$ 117
41	2056/2057	\$ -	\$ -	\$ 87	\$ 87
TOTAL		\$ 5,970	\$ 113,051	\$ 4,651	\$ 123,672

Rental Properties 2018 - ATO Guideline

PRIME COST METHOD

ID	ASSET	Effective Life	PCM %	Value \$	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
GEA	Assets, general:																							
GEA004	Door closers	7	14%	132	3	19	19	19	19	19	19	16	-	-	-	-	-	-	-	-	-	-	-	-
GEA005	Door stops, freestanding																							
GEA006	Floor coverings (removable without damage):																							
GEA006a	Carpet type 1	7	14%	2,189	43	313	312	313	313	313	313	271	-	-	-	-	-	-	-	-	-	-	-	-
GEA015	Intercom system assets	7	14%	150	3	21	21	21	21	21	21	19	-	-	-	-	-	-	-	-	-	-	-	-
GEA016	Lights:																							
GEA016a	Fittings (excluding hardwired)	2	50%	720	49	360	310	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA016aa	Fittings (excluding hardwired)	2	50%	95	7	48	41	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA032	Window blinds, internal	7	14%	347	7	50	49	50	50	50	50	43	-	-	-	-	-	-	-	-	-	-	-	-
BAA	Bathroom assets:																							
BAA002	Exhaust fans	7	14%	97	2	14	14	14	14	14	14	12	-	-	-	-	-	-	-	-	-	-	-	-
FCA	Fire control assets:																							
FCA001	Alarms:																							
FCA001a	Heat																							
FCA001b	Smoke	3	33%	45	2	15	15	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ODA	Outdoor assets:																							
ODA001	Automatic garage doors:																							
ODA001a	Controls	2	50%	30	2	15	13	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ODA001b	Motors	7	14%	150	3	21	21	21	21	21	21	19	-	-	-	-	-	-	-	-	-	-	-	-
ACA	Air conditioning:																							
ACA008	Packaged air conditioning units	12	8%	2,014	23	168	167	168	168	168	168	168	168	168	167	168	146	-	-	-	-	-	-	-
	Sub Total - Plant and Equipment			5,970	143	1,043	983	620	606	606	606	547	168	168	167	168	146	-	-	-	-	-	-	-

8. RELEVANT TAX RULINGS AND DOCUMENTATION

- Legislation by the Australian Tax Office (ATO) TR2016/1
- Rental Properties Guide 2018 (ATO)
- The Income Tax Assessment Act 1997. (ITAA) 1936, Part 3, Division 3A, Sections 54 – 56, 60 – 62.
- Division 10D, Sections 124ZF-ZH and Section 1234ZFB and ITAA 1997 Division 40 – 43.
- Tax Ruling 2017/2 – Effective Life of Depreciation Assets
- (ITAA Section 42 – 65) delivery and installation cost (IT 2197) and the costs associated with bringing the plant into full operation (ITAA97 Sect 8-1)
- Ralph Review of Business Taxation of 21 September 1999
- Australian Accounting Standards AASB 116 Property, Plant and Equipment and AASB13 Fair Value Measurement
- Housing Tax Integrity Act 2017

9. GLOSSARY OF TERMS

Division 40 (Plant and Equipment)

These items are deemed to be easily removed or mechanical. Such items include (but are not limited to): window treatments; carpet; dishwasher; door closer and oven. The 'effective life' of these items is not limited by the age of the asset. The item value is estimated by its condition and quality as outlined by the ATO.

Division 43 (The building, structural improvements and fixed assets)

Currently ATO legislation allows owners to claim a deduction for division 43 if the property is income producing and has been constructed after to 18th July 1985. This can be claimed at a rate of 2.5% or 4% depending on the commencement of construction and the property classification.

Effective Life

The effective life of a depreciating asset is, broadly, the period it can be used by anyone for income-producing purposes assuming reasonable wear and tear, that it will be maintained in reasonably good order and condition and having regard to the period within which it is likely to be scrapped or abandoned. This life rate is determined by the Australian Tax Office (ATO).

Low Value Pooling

Under the uniform capital allowance (UCA) rules, the decline in value of most depreciating assets with a cost or opening adjustable value of less than \$1,000 can be calculated through a low-value pool at a rate of 37.5%. This allows the investor to accelerate the depreciation of the asset.

Low Cost Asset

A low-cost asset is one that costs less than \$1,000 after deducting any GST credits you're entitled to claim.

Low Value Asset

A low-value asset is an asset that has depreciated over one or more years and now has a written-down value of less than \$1,000, but only if you've previously worked out deductions for it using the

Prime Cost Method (PCM)

The prime cost method assumes that the value of a depreciating asset decreases uniformly over its effective life.

Diminishing Value Method (DMV)

Diminishing value method assumes that the value of a depreciating asset decreases more in the early years of its effective life, this method increases depreciation of particular assets earlier.

10. GENERAL NOTES AND DISCLAIMERS

- This report has been based on the Diminishing Value Method of depreciation for plant & equipment.
- We have assumed that the property owner is entitled to claim the available depreciation allowances and that there are no pre-existing depreciation schedules for this property.
- The owner is advised to discuss and confirm the assumptions of this report with their tax adviser before using this tax depreciation information.
- Land costs, improvements and other non-depreciable building costs, such as soft landscaping, have not been included in this report.
- This report is based on the understanding that the property is used specifically for the production of assessable income.
- Individual assets with a value of less than \$300 have been depreciated in full in the first year.
- Low-cost assets and low-value assets (i.e. an asset with a value less than \$1,000 but greater than \$300) have been depreciated as part of a low value pool. As part of the low value pool, low-cost assets are depreciated at the rate of 18.75% in the first year and at the rate of 37.5% thereafter.
- This depreciation schedule has been prepared for the sole purpose of claims under the Income Tax Assessment Act and is for use only by the party directed.
- Asset Reports QS Pty Ltd accept no responsibility for any third party that may rely on the whole or any part of this report.
- Asset Reports QS Pty Ltd does not accept any contractual, tortious or any other form of liability for any consequences, loss or damage, which may arise as a result of any person acting upon or using this report.



assetreports

1800 4 REPORTS

www.assetreports.com.au

qs@assetreports.com.au