

Tax Depreciation Schedule Information

What is a Tax Depreciation Schedule and why do I need one?

If you own an investment property and want to deduct depreciation allowances against your taxable income, you need to arrange for the preparation of a tax depreciation report by a qualified quantity surveyor.

Capital expenditure on buildings, plant and equipment used for investment or commercial purposes are deductible as building allowances under the Income Tax Assessment Act. In order to claim for these allowances on your tax return an assessment of the cost of these items at the time of construction must be carried out and certified by a quantity surveyor. If your property was constructed before 1987, not all the building allowance and depreciation benefits apply. We will discuss that with you during the inquiry process to ensure getting a depreciation schedule prepared makes sense for your property.

The tax depreciation schedule included in our report will provide a schedule of the building costs (which can be written off at a rate of 2.5% per year) and a schedule of sundry depreciable items which include carpets, kitchen appliances, blinds, and various other items which can be written-off over varying periods of time depending on the item. Your tax accountant will use this information to calculate your deductible depreciation allowances on your income tax return. **A tax depreciation schedule will translate into significant income tax savings for you on an annual basis.**

What is included if I decide to have Jeffress Associates prepare a tax depreciation schedule for my property?

Our services in completing a tax depreciation report include:

- Obtaining a copy of the property plans from the relevant Council,
- Performing a physical site inspection of your investment property,
- Identifying depreciable building and sundry item costs associated with your investment,
- Preparing a formal report scheduling out this information that can be used by your tax accountant in preparing your annual income tax return,
- Being available for any questions your tax accountant may have when using the information to prepare your tax return.

What do I need to do to have Jeffress Associates prepare my tax depreciation schedule?

1. Provide us with the details of your investment property. You can do this by filling in our "On-Line Inquiry Form", using the attached Quote Form (Page 2), or you can simply give us a call.
2. Once you have a quote and you decide to proceed. Fill in, and sign the attached Confirmation Form (Page 3) and the Authorisation Form (Page 4), which will allow us to obtain plans and other relevant details from the relevant Council.
3. Coordinate with your property manager and/or tenant to provide Jeffress Associates access to your investment property for the site inspection.
4. Make yourself available, by telephone, as required by the quantity surveyor to answer questions during the preparation of the report.

JEFFRESS

ASSOCIATES

PROJECT MANAGERS - QUANTITY SURVEYORS - COST CONSULTANTS

Phone: (02) 6652 4299 Fax: (02) 6651 5011

E-mail : tawjeffress@aol.com

Confirmation of Request for Tax Depreciation Report

I (we) confirm we would like to engage Jeffress & Associates to do the necessary site inspection and cost estimation works required to prepare a tax depreciation schedule for the property detailed below in accordance with terms described herein:

Customer Details:

Name(s): _____ Contact Phone: _____

Address: Street/PO Box: _____

City: _____ State: _____ Post Code: _____ E-mail Address: _____

Property Type: (Circle one) House Unit/Villa/Townhome High Rise Commercial/Industrial

Property Address: Street: _____

City: _____ Post Code: _____ Floor & Unit No.: _____

Owner Contact Details: (if different from customers)

Name(s): _____ Contact Phone: _____

Address: Street/PO Box: _____

City: _____ State: _____ Post Code: _____ E-mail Address: _____

Rental Agent Contact Details: (if applicable)

Agent's Name: _____ Agency: _____ Contact Phone: _____

Tenant Contact Details: (optional)

Name(s): _____ Contact Phone: _____

Terms of Service Agreement:

Jeffress and Associates services under this agreement include a site visit to the above listed property to identify and quantify the costs associated with your investment property that qualify for Building Allowance Depreciation and Sundry Depreciable Items (e.g. carpets, stoves, blinds). Costs will be estimated as of the time of construction or installation and detailed in a report. The estimated costs provided will serve as the basis for the depreciation allowance calculation on your income tax return and which can be prepared by your tax accountant.

Fees: _____ + GST (as per quote). Plus any fee charged by the Council to obtain property's plans (usually \$10-\$20). All fees are due within 7 days of report issuance.

Requirements: 1. Return of attached form signed by owner providing Jeffress Associates authority to obtain a copy of plans from Council for purposes of preparing this report. 2. Coordination with agent or tenant for inspection and contact numbers.

Customer Signature: **X** _____ **Date:** _____

JEFFRESS

ASSOCIATES

PROJECT MANAGERS - QUANTITY SURVEYORS - COST CONSULTANTS

Phone: (02) 6652 4299 Fax: (02) 6651 5011

E-mail : tawjeffress@aol.com

FAX COVER SHEET

Attention: Customer Service Section
Council: _____
Council Fax: _____

From: Trevor Jeffress
Company: TAW Jeffress & Associates Pty Ltd
Phone: 02 6652 4299
Fax: 02 6651 5011

Date: _____

Subject: Request for Information—Property:

On behalf of our client(s) we request the supply of the following information for the property listed below:

- Copy of Building Plans and Site Plan.
- Advice of the date of commencement of construction (e.g. date of footing inspection).

We shall pick the documents up at Council and pay the required fee.

Thank you,

Client Authorization

I (we) authorise Jeffress Associates to obtain information on our behalf related to the property noted below:

Owner(s) Name: _____

Owner(s) Signature: **X** _____ Date: _____

Owner(s) Address: Street _____ City _____

Post Code _____ Contact Phone Number: _____

Property Type: (Circle one) House Villa Townhome Apartment Commercial/Industrial Bldg

Property Address: Street _____

City _____ Post Code _____