

Total Capital Building Write off Allowance

Based on figures relating to Lot 19 Mountain Grey Circuit, Morwell

BASED ON A TAXABLE INCOME OF \$60,000

New Rental Property Value (Capital Outlay)	\$ 300,050.00	
Initial Investment	\$ -	
100% Finance Loan @ 6%	\$ 18,003.00	Per Annum
Rental Return based on \$280 per week	\$ 14,560.00	Per Annum
Capital Building write off (2.5% of Building Worth \$204,550)	\$ 5,113.75	
Negative Rental	\$ 3,443.00	
Negative Geared Amount to be taken from Taxable income	\$ 3,443.00	(difference between Loan Repayments and Rental Income)

For Example:

Yearly Gross Taxable Income	\$ 60,000.00
Tax Rate 31.5%	-\$ 18,900.00
Yearly Net Income	\$ 41,100.00

If you could negative gear a Rental Property

Yearly Gross Taxable Income	\$ 60,000.00	
Less Negative Geared Amount	-\$ 3,443.00	
Less Yearly Depreciation of 2.5% (per year for 40 years)	-\$ 5,113.75	On building
Less Yearly Depreciation (as per schedule below)	-\$ 4,462.50	Internal Fittings
New Yearly Gross Taxable Income	\$ 46,980.75	
Tax Rate 31.5%	\$ 14,798.94	
New Yearly Net Income	\$ 32,181.81	

The tax saving is \$4101.06 and the capital growth of 5% the home increases annually - \$15,002.50, all up \$19,103.56 in the first year alone.

Example of Depreciation Schedule

DESCRIPTION OF INITIAL PURCHASE	Initial Cost	Rates %	Tax Year 1	Tax Year 2	Tax Year 3
Carpet	\$ 3,000.00	15.00%	\$ 450.00	\$ 383.00	\$ 325.00
Floor Tiling	\$ 4,500.00	15.00%	\$ 675.00	\$ 574.00	\$ 488.00
Blinds	\$ 2,000.00	15.00%	\$ 300.00	\$ 255.00	\$ 217.00
Curtains	\$ 860.00	25.00%	\$ 215.00	\$ 161.00	\$ 121.00
Oven, Hotplates, Rangehood	\$ 740.00	12.50%	\$ 93.00	\$ 81.00	\$ 71.00
Dishwasher	\$ 900.00	15.00%	\$ 135.00	\$ 115.00	\$ 98.00
Hot Water Service	\$ 2,800.00	12.50%	\$ 350.00	\$ 306.00	\$ 268.00
Air Conditioning / Split System	\$ 2,500.00	15.00%	\$ 375.00	\$ 319.00	\$ 271.00
Light fittings	\$ 2,500.00	30.00%	\$ 750.00	\$ 525.00	\$ 368.00
Common area					
Garden sprinkler system	\$ 1,200.00	30.00%	\$ 360.00	\$ 252.00	\$ 177.00
Clothes Line	\$ 320.00	15.00%	\$ 48.00	\$ 41.00	\$ 35.00
Letterbox	\$ 300.00	15.00%	\$ 45.00	\$ 38.00	\$ 33.00
T.V Antenna	\$ 250.00	15.00%	\$ 38.00	\$ 32.00	\$ 27.00
Central Heating	\$ 3,500.00	15.00%	\$ 525.00	\$ 446.00	\$ 380.00
Garage Auto Doors	\$ 690.00	15.00%	\$ 103.50	\$ 88.00	\$ 75.00
	\$ 26,060.00		\$ 4,462.50	\$ 3,616.00	\$ 2,954.00

Disclaimer: This depreciation schedule is not for taxation purposes, it is indicative only as an example only of the type of depreciation figures and depreciable items of Mountain Grey Rise. Please refer to your accountant for actual figures.