



THE
PROPERTY
PROS

SAMPLE TAX DEPRECIATION SCHEDULE



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Tax Depreciation Schedule

Property Information

Address

Lot 1745 Elvina Vista GOLDEN BAY WA 6174

Settlement Date

1/07/2021

Report Start Date

1/07/2021

Purchase Price

Not disclosed

Ownership

Bob Ross

Claimable Depreciation Overview

Total Depreciation

\$355,847

Total Capital Works

\$293,283

Total Plant + Equipment

\$62,564

Year 1

\$17,911

Year 2

\$16,108

Year 3

\$15,134

Please contact The Property Pros for any enquiries.

Diminishing Value Depreciation Schedule

Year	Financial Year Period		Plant + equipment	Capital works	Total Depreciation
1	1/07/21	- 30/06/22	\$10,579	\$7,332	\$17,911
2	1/07/22	- 30/06/23	\$8,776	\$7,332	\$16,108
3	1/07/23	- 30/06/24	\$7,802	\$7,332	\$15,134
4	1/07/24	- 30/06/25	\$5,877	\$7,332	\$13,209
5	1/07/25	- 30/06/26	\$4,703	\$7,332	\$12,035
6	1/07/26	- 30/06/27	\$3,732	\$7,332	\$11,064
7	1/07/27	- 30/06/28	\$3,125	\$7,332	\$10,457
8	1/07/28	- 30/06/29	\$2,391	\$7,332	\$9,723
9	1/07/29	- 30/06/30	\$1,888	\$7,332	\$9,220
10	1/07/30	- 30/06/31	\$1,531	\$7,332	\$8,863
11	1/07/31	- 30/06/32	\$1,275	\$7,332	\$8,607
12	1/07/32	- 30/06/33	\$1,325	\$7,332	\$8,657
13	1/07/33	- 30/06/34	\$1,055	\$7,332	\$8,387
14	1/07/34	- 30/06/35	\$865	\$7,332	\$8,197
15	1/07/35	- 30/06/36	\$728	\$7,332	\$8,060
16	1/07/36	- 30/06/37	\$623	\$7,332	\$7,955
17	1/07/37	- 30/06/38	\$543	\$7,332	\$7,875
18	1/07/38	- 30/06/39	\$478	\$7,332	\$7,810
19	1/07/39	- 30/06/40	\$659	\$7,332	\$7,991
20	1/07/40	- 30/06/41	\$499	\$7,332	\$7,831
21	1/07/41	- 30/06/42	\$394	\$7,332	\$7,726
22	1/07/42	- 30/06/43	\$322	\$7,332	\$7,654
23	1/07/43	- 30/06/44	\$272	\$7,332	\$7,604
24	1/07/44	- 30/06/45	\$238	\$7,332	\$7,570
25	1/07/45	- 30/06/46	\$210	\$7,332	\$7,542
26	1/07/46	- 30/06/47	\$191	\$7,332	\$7,523
27	1/07/47	- 30/06/48	\$172	\$7,332	\$7,504
28	1/07/48	- 30/06/49	\$158	\$7,332	\$7,490
29	1/07/49	- 30/06/50	\$146	\$7,332	\$7,478
30	1/07/50	- 30/06/51	\$135	\$7,332	\$7,467
31	1/07/51	- 30/06/52	\$127	\$7,332	\$7,459
32	1/07/52	- 30/06/53	\$117	\$7,332	\$7,449
33	1/07/53	- 30/06/54	\$109	\$7,332	\$7,441
34	1/07/54	- 30/06/55	\$101	\$7,332	\$7,433
35	1/07/55	- 30/06/56	\$95	\$7,332	\$7,427
36	1/07/56	- 30/06/57	\$88	\$7,332	\$7,420
37	1/07/57	- 30/06/58	\$82	\$7,332	\$7,414
38	1/07/58	- 30/06/59	\$77	\$7,332	\$7,409
39	1/07/59	- 30/06/60	\$72	\$7,332	\$7,404
40	1/07/60	- 30/06/61	\$67	\$7,332	\$7,399
41	1/07/61	- 30/06/62	\$937	\$3	\$940
Total			\$62,564	\$355,847	\$418,411

Prime Cost Depreciation Schedule

Year	Financial Year Period		Plant + equipment	Capital works	Total Depreciation
1	1/07/21	- 30/06/22	\$5,334	\$7,332	\$12,666
2	1/07/22	- 30/06/23	\$5,334	\$7,332	\$12,666
3	1/07/23	- 30/06/24	\$5,334	\$7,332	\$12,666
4	1/07/24	- 30/06/25	\$5,034	\$7,332	\$12,366
5	1/07/25	- 30/06/26	\$4,977	\$7,332	\$12,309
6	1/07/26	- 30/06/27	\$4,078	\$7,332	\$11,410
7	1/07/27	- 30/06/28	\$3,944	\$7,332	\$11,276
8	1/07/28	- 30/06/29	\$3,653	\$7,332	\$10,985
9	1/07/29	- 30/06/30	\$3,137	\$7,332	\$10,469
10	1/07/30	- 30/06/31	\$3,124	\$7,332	\$10,456
11	1/07/31	- 30/06/32	\$2,378	\$7,332	\$9,710
12	1/07/32	- 30/06/33	\$2,367	\$7,332	\$9,699
13	1/07/33	- 30/06/34	\$1,821	\$7,332	\$9,153
14	1/07/34	- 30/06/35	\$1,781	\$7,332	\$9,113
15	1/07/35	- 30/06/36	\$1,775	\$7,332	\$9,107
16	1/07/36	- 30/06/37	\$613	\$7,332	\$7,945
17	1/07/37	- 30/06/38	\$601	\$7,332	\$7,933
18	1/07/38	- 30/06/39	\$601	\$7,332	\$7,933
19	1/07/39	- 30/06/40	\$601	\$7,332	\$7,933
20	1/07/40	- 30/06/41	\$601	\$7,332	\$7,933
21	1/07/41	- 30/06/42	\$601	\$7,332	\$7,933
22	1/07/42	- 30/06/43	\$601	\$7,332	\$7,933
23	1/07/43	- 30/06/44	\$601	\$7,332	\$7,933
24	1/07/44	- 30/06/45	\$601	\$7,332	\$7,933
25	1/07/45	- 30/06/46	\$601	\$7,332	\$7,933
26	1/07/46	- 30/06/47	\$493	\$7,332	\$7,825
27	1/07/47	- 30/06/48	\$493	\$7,332	\$7,825
28	1/07/48	- 30/06/49	\$493	\$7,332	\$7,825
29	1/07/49	- 30/06/50	\$493	\$7,332	\$7,825
30	1/07/50	- 30/06/51	\$493	\$7,332	\$7,825
31	1/07/51	- 30/06/52	\$6	\$7,332	\$7,338
32	1/07/52	- 30/06/53	\$0	\$7,332	\$7,332
33	1/07/53	- 30/06/54	\$0	\$7,332	\$7,332
34	1/07/54	- 30/06/55	\$0	\$7,332	\$7,332
35	1/07/55	- 30/06/56	\$0	\$7,332	\$7,332
36	1/07/56	- 30/06/57	\$0	\$7,332	\$7,332
37	1/07/57	- 30/06/58	\$0	\$7,332	\$7,332
38	1/07/58	- 30/06/59	\$0	\$7,332	\$7,332
39	1/07/59	- 30/06/60	\$0	\$7,332	\$7,332
40	1/07/60	- 30/06/61	\$0	\$7,332	\$7,332
41	1/07/61	- 30/06/62	\$0	\$3	\$3
Total			\$62,564	\$355,847	\$418,411

DIVISION 43 (CAPITAL WORKS) BREAKDOWN

Year	Financial Year Period		Initial Capital Works	Additional Renovations	Total Div 43 Depreciation	Costs + Renovations (If applicable)	
1	1/07/2021	30/06/2022	\$7,332	\$0	\$7,332		
2	1/07/2022	30/06/2023	\$7,332	\$0	\$7,332	Original Build Date	1/07/2021
3	1/07/2023	30/06/2024	\$7,332	\$0	\$7,332	Initial Capital Works	\$293,283
4	1/07/2024	30/06/2025	\$7,332	\$0	\$7,332	Schedule Start	1/07/2021
5	1/07/2025	30/06/2026	\$7,332	\$0	\$7,332	Schedule Start Cost	\$293,283
6	1/07/2026	30/06/2027	\$7,332	\$0	\$7,332		
7	1/07/2027	30/06/2028	\$7,332	\$0	\$7,332		
8	1/07/2028	30/06/2029	\$7,332	\$0	\$7,332		
9	1/07/2029	30/06/2030	\$7,332	\$0	\$7,332		
10	1/07/2030	30/06/2031	\$7,332	\$0	\$7,332		
11	1/07/2031	30/06/2032	\$7,332	\$0	\$7,332		
12	1/07/2032	30/06/2033	\$7,332	\$0	\$7,332		
13	1/07/2033	30/06/2034	\$7,332	\$0	\$7,332		
14	1/07/2034	30/06/2035	\$7,332	\$0	\$7,332		
15	1/07/2035	30/06/2036	\$7,332	\$0	\$7,332		
16	1/07/2036	30/06/2037	\$7,332	\$0	\$7,332		
17	1/07/2037	30/06/2038	\$7,332	\$0	\$7,332		
18	1/07/2038	30/06/2039	\$7,332	\$0	\$7,332		
19	1/07/2039	30/06/2040	\$7,332	\$0	\$7,332		
20	1/07/2040	30/06/2041	\$7,332	\$0	\$7,332		
21	1/07/2041	30/06/2042	\$7,332	\$0	\$7,332		
22	1/07/2042	30/06/2043	\$7,332	\$0	\$7,332		
23	1/07/2043	30/06/2044	\$7,332	\$0	\$7,332		
24	1/07/2044	30/06/2045	\$7,332	\$0	\$7,332		
25	1/07/2045	30/06/2046	\$7,332	\$0	\$7,332		
26	1/07/2046	30/06/2047	\$7,332	\$0	\$7,332		
27	1/07/2047	30/06/2048	\$7,332	\$0	\$7,332		
28	1/07/2048	30/06/2049	\$7,332	\$0	\$7,332		
29	1/07/2049	30/06/2050	\$7,332	\$0	\$7,332		
30	1/07/2050	30/06/2051	\$7,332	\$0	\$7,332		
31	1/07/2051	30/06/2052	\$7,332	\$0	\$7,332		
32	1/07/2052	30/06/2053	\$7,332	\$0	\$7,332		
33	1/07/2053	30/06/2054	\$7,332	\$0	\$7,332		
34	1/07/2054	30/06/2055	\$7,332	\$0	\$7,332		
35	1/07/2055	30/06/2056	\$7,332	\$0	\$7,332		
36	1/07/2056	30/06/2057	\$7,332	\$0	\$7,332		
37	1/07/2057	30/06/2058	\$7,332	\$0	\$7,332		
38	1/07/2058	30/06/2059	\$7,332	\$0	\$7,332		
39	1/07/2059	30/06/2060	\$7,332	\$0	\$7,332		
40	1/07/2060	30/06/2061	\$7,332	\$0	\$7,332		
41	1/07/2061	30/06/2062	\$3	\$0	\$3		
42	1/07/2062	30/06/2063	\$0	\$0	\$0		
43	1/07/2063	30/06/2064	\$0	\$0	\$0		
44	1/07/2064	30/06/2065	\$0	\$0	\$0		
Total			\$293,283	\$0	\$293,283		

Tax depreciation report guide

Your report will either include one of the following:

(A) Diminishing Value & Prime Cost Schedules

Where division 40 is claimable, this report will include both methods available for depreciation:

- Diminishing Value
- Prime Cost

You can use either method of depreciation. However, you cannot switch methods once you have begun claiming depreciation; you must stick to your chosen method.

The 'total depreciation' column contains the total amount of depreciation you can claim for each financial year you used the property for investment purposes.

Division 40 Breakdown of Items

The diminishing value and prime cost schedule breakdowns expand each item to display how much it depreciates each year along with the residual value. Low value pools can be found in this section at the bottom of the page.

(B) Capital Works Schedule

Where division 40 is not claimable, a capital works schedule is included. For most residential properties, the depreciation rate is 2.5% over 40 years, starting from the build date. This schedule will also include any capital works improvements depreciating at the same rate of 2.5% over 40 years, starting from the renovation date.

Capital Loss Schedule

The capital loss schedule includes all the items in your property that are no longer eligible to be claimed for depreciation. They can, however, be claimed as a capital loss if you scrap them. If your report includes a capital loss schedule, those items are still depreciating, so each column represents an item's residual value for that year. If you scrap a particular item (e.g. replace a cook-top) with a brand new item, the residual value of the original item in that year can be claimed in full as a capital loss. This may be used to offset a capital gain. Please contact your accountant regarding claiming capital losses.

Division 40 - Plant & Equipment

Division 40 refers to the plant and equipment items made up of fixtures and fittings, usually known to be easily removable assets. Each item has an effective life (measured in years) set out by the ATO. You can find the list of items along with their effective life from the ATO website in a document called 'Taxation Ruling'; the current version is called 'TR 2021/3 - Income tax: effective life of depreciating assets'.

Division 43 - Capital Works

Division 43 refers to the depreciation of the structure of the building, usually objects that are irremovable. Capital Works may also be known as 'building write-off' or 'capital works'. Residential properties built after the 15th September 1987 are eligible to claim capital works deductions at a rate of 2.5% per annum over 40 years.

Immediate Write-off

Plant & equipment items with a starting value of \$300 or less qualify for an immediate full deduction.

Low Value Pool

Plant & equipment items with a value of \$1,000 or less in any financial year will enter the low value pool where the tax deduction rate becomes either 18.75% (for the first year) or 37.5% (subsequent years). The low value pool values can be found at the bottom of the division 40 breakdown of items pages where applicable.

Frequently Asked Questions (F.A.Q)

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What is tax depreciation?

Tax depreciation is made up of two elements, capital works (division 43) and plant & equipment (division 40). A tax depreciation schedule captures the values of wear and tear of a building over a certain period of time which an investor can use to claim tax deductions as apart of their tax returns. The ATO classifies this wear and tear as an expense to investors which they are entitled to claim as a tax deduction.

Why is my division 40 depreciation total showing "not eligible" to claim?

Due to tax depreciation legislation changes in 2017, residential investors are no longer eligible to claim second-hand equipment for property rented after July 2017. In other words, if you live in your investment property before renting it out, you won't be able to claim depreciation for division 40 (plant & equipment).

Which schedule (diminishing value or prime cost) do I use?

The diminishing value method is the most popular method used in depreciation, however, please contact your tax agent for advice on which method of depreciation to choose.

Do I need to purchase a schedule every year?

No, this tax depreciation schedule can be used for the lifetime of the property while you use it for investment purposes.

I have completed renovations on my property since receiving my schedule, do I need to purchase another?

Please contact your accountant to organise an amendment of your existing tax depreciation schedule.