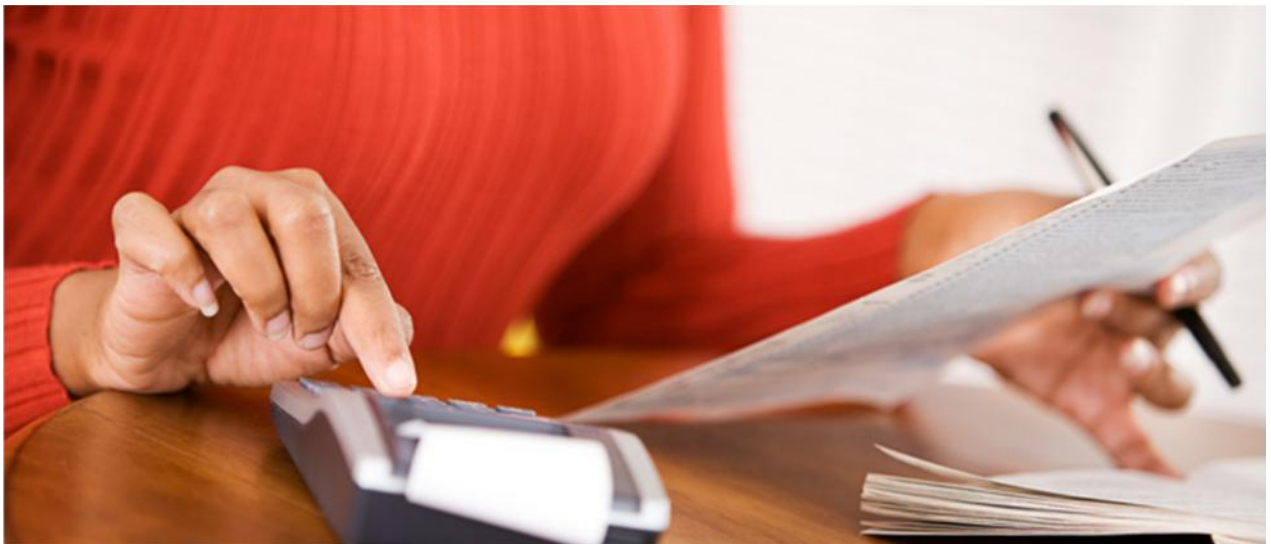


Can I back-claim for depreciation on my rental property?

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[Back-Claim Depreciation, Investment Property Depreciation, Rental Property Deductions, Rental Property Depreciation, Amend Tax Return For Depreciation](#)
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[Yes you can back-claim depreciation of your investment property for previous years...](#)

If you have held your investment property for a number of years but didn't realise you could be claiming depreciation on it, you have effectively over-paid your taxes and you are entitled to claim the over-payment back. How many years you can back-claim will depend on your previous tax lodgements, as well as your personal circumstances. Your accountant will be able to provide more detailed advice for your own situation, however some general guidelines are below.

How many years can I back-claim?

The [ATO states the following](#) when it comes to amending tax returns for previous years:

"The law sets time limits for amending your tax assessment.

For individuals and small businesses the time limit is generally two years, and for other taxpayers four years, from the day after we give you the notice of assessment for the year in question (generally taken to be the date on the notice or, if we don't issue a notice, the date the relevant return was lodged).

For example, you're a sole trader and receive a notice of assessment dated 12 November 2015. Your two-year amendment period starts on 13 November 2015 (the day after the date on the notice) and ends two years later, on 12 November 2017, so you have until that day to lodge a request for an amendment to that assessment.

You can submit more than one amendment request within a period of review.

The time limit gives you certainty about your tax affairs because it means we can't amend your tax assessment after the time limit has passed (except in some exceptional situations such as evasion or fraud).

If you want to change a tax return after the time limit has passed you can't request an amendment, but you may be able to lodge an objection. While the time limit for lodging amendments and objections is the same, you can request an extension of time to lodge an objection in some circumstances."

This means that generally individuals are able to amend up to 2 years previous tax returns. It is also our understanding that if you were behind on lodging your taxes last year and lodged a number of years at the same time, all of those years will be eligible for amendment as they were lodged within the last 2 years.

It is also our understanding that if you are the beneficiary of a trust, or the potential beneficiary of a trust, then the 4 year limit for amendments will apply.

All other entities, such as trusts, companies and self-managed super funds can amend tax returns lodged within the last 4 years as a standard.

How do I back-claim for previous years depreciation?

Back-claiming for previous years requires that you submit a request for amendment to the ATO. The ATO does not charge a fee if you request an amendment and you don't have to send in another tax return unless they ask you to. You can request an amendment in a number of ways. We always recommend you consult with your accountant - they are the experts and can do this process with the most experience and least amount of effort. If you manage your own tax affairs however you can find specific details here on the [relevant ATO website page](#).

A quick case study as an example...

Joe purchased a 2 year old investment property in 2014. Joe was not aware at the time that he could benefit from claiming depreciation. Joe had Capital Claims Tax Depreciation prepare a depreciation schedule for him in August 2017. A Capital Claims Tax Depreciation schedule begins from the time the investment property is available as an investment property, which in Joe's case was as soon as he purchased it in March 2014. Joe holds his investment property as an individual and would like to back-claim depreciation in previous years that he missed out.

Joe's total depreciation deductions for each financial year were as follows:

Financial Year	ATO Notice of Assessment Date for tax return	of Claimable in August 2017	Depreciation deductions reported
2014	December 2014	No	\$4,763.00
2015	December 2015	Yes	\$9,243.00
2016	December 2016	Yes	\$7,423.00
2017	Not yet lodged	Yes	\$6,004.00
Total claimable			\$22,670.00

Based on the above example, Joe is able to request amendments for his 2015 and 2016 tax returns, as well as claim deductions in his 2017 tax return and subsequent years going forward. Total deductions claimable across the 3 years equals \$22,670.00. Unfortunately, the \$4,763.00 that would have been claimable for the 2014 financial year have been lost. On the upside, Capital Claims Tax Depreciation held off immediate write-off and low-cost and low-value pooling provisions to minimise the first year losses and improve results in subsequent years.

Don't have a depreciation schedule for your investment property yet?

It's not too late! Contact our friendly team to discuss your property and find out if you have depreciation deductions available that you are missing out on. We provide free, all inclusive quotes and estimates of deductions up-front so you can feel confident before proceeding. Get in touch today on 1300 922 220 or use the link below to request a quote online!



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