

May 2016

## Property Management News

### Leasing or Selling a Home with a Swimming Pool or Spa

Further to our March 2016 newsletter: yes, the new rules have now commenced.

### New Rules for Selling Property Over \$2 Million

From 1 July 2016, new rules will apply to sales of taxable Australian property (e.g., real estate) with a market value of \$2 million or above.

A 10% non-final withholding tax may be applied to all contracts to sell such property entered into on or after 1 July 2016.

**Australian resident vendors** selling such property will need to obtain a clearance certificate from the ATO prior to settlement to avoid the 10% non-final withholding tax.

*Editor:* This new 10% withholding tax was really only intended to apply to non-residents selling Australian property. However, it equally applies to **Australian resident vendors** and forces them to obtain a clearance certificate from the ATO to, in fact, prove that they are Australian residents.

Generally speaking, clients will be affected for sales of residential and commercial properties, or companies or trusts that hold such properties.

*Source: Martin Lord & Co – Hornsby*

### Attention Landlords! Depreciable Plant etc, costing \$300 or less...

Rental Property Owners will generally be entitled to an immediate tax deduction if certain income producing assets costing \$300 or less (any one item) before 1<sup>st</sup> July 2016.

There must be however a direct connection to derivation of income and you must have a receipt of purchase.

Some purchases you may consider include:

- Books and trade journals
- Briefcases/luggage or suitcases
- Calculators, electronic organisers
- Electronic tablets
- Software
- Stationary
- Tools of trade

*Source: Martin Lord & Co - Hornsby*

Regards:

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