

MEDIA RELEASE

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Small business, big depreciation deductions

Australia's largest provider of tax depreciation schedules believes that small-to-medium size businesses may be missing out on valuable opportunities to reduce their tax bills by not maximising the wealth of legitimate depreciation deductions available in the commercial property they either own or rent.

According to Australian Taxation Office rules, commercial property owners and tenants can simultaneously claim for two categories of deductions – capital works allowance for structural features and plant and equipment items which are removable assets.

Bradley Beer, Chief Executive Officer of BMT Tax Depreciation, believes an enhanced understanding of commercial depreciation rules will be invaluable to SMEs of all types as deductions and their value can differ from industry to industry.

"Many SMEs may be missing out on increased cash flow through a lack of understanding about all the legitimate tax deductions they can claim for many things in their working environment," said Bradley Beer.

"For example, business owners may need to fit out a premises with assets such as air-conditioning, security systems, telephone systems and furniture such as desks, chairs and kitchen facilities.

"Security systems may cost around \$6,100, attracting a first financial year deduction of \$2,440 and telephone systems may attract a \$454 first year deduction.

"It's not easy running a business these days and I imagine these tax savings would be welcomed by most businesses," said Bradley Beer.

BMT most commonly completes depreciation schedules for office spaces, however during the 2015-2016 financial year, the company witnessed a 51 per cent increase in requests for agricultural depreciation schedules, a 67 per cent increase for childcare centres and a 32 per cent increase for hotels and motels.

"Farming equipment can attract some unique, big ticket deductions for agricultural business owners," said Bradley Beer.

"In terms of first year deductions, tractors may attract \$13,800, livestock grids may attract \$4,140 and grain storage silos around \$2,295.

"Play equipment is essential for a childcare facility and can be valued at around \$92,183, which may amount to a deduction of \$36,873 in the first financial year," said Bradley Beer.

Deductions that may be found in hotels include beds, which can have a depreciable value of around \$62,500 and a claim of \$17,857 in the first year and commercial washing machines which can be valued at \$67,500 and allow a first year claim of \$13,500.

"Whether you own or rent your premises, or even if you work from home, there may be a wealth of unexpected and value-laden deductions you are entitled to," said Bradley Beer.

"Quantity surveyors are expert at finding and maximising these deductions after inspecting a commercial premises, which may help to reduce the costs that holding your commercial property generates or may stimulate valuable cash flow.

“Obtaining a professional depreciation schedule from a quantity surveyor will maximise the amount of deductions you can claim which in turn should have a positive effect on your businesses financial health,” said Bradley Beer.

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About BMT Tax Depreciation

BMT Tax Depreciation (BMT) is a Quantity Surveying company specialising in the provision of tax depreciation schedules for residential and commercial investment properties. Commencing business in 1997, demand from property investors nationally has seen business expand Australia-wide with offices now located in Sydney, Parramatta, Melbourne, Brisbane, Newcastle, Adelaide, Perth, Gold Coast, Cairns, Canberra, Hobart and Darwin.

Maximising the cash return
from your investment property