



myTax 2020 Rent

How to report rent when you lodge your return using myTax.

Last updated 1 June 2020

On this page

[Things to know](#)

[Completing this section](#)

Complete this section for rental income earned and expenses incurred when you rent out your rental property located in Australia.

Things to know

Rental deductions for vacant land

From 1 July 2019, you can't claim rental deductions for the cost of holding vacant land, even if you are building or intend to build a rental property.

If your rental property was destroyed by a natural disaster or circumstances beyond your control, you can still claim deductions for the cost of holding the land for three years from the time the property was destroyed. You may apply to the Commissioner for an extension to the three year limit.

To learn more, see [Deductions for vacant land](#).

Tax and COVID-19

Your rental property income and deductions may have been affected by COVID-19. For more information, see [COVID-19 and residential rental properties](#).

For general information about ATO measures and support during COVID-19, see [COVID-19](#).

Co-ownership of rental property

The way the rental income and expenses are divided between co-owners varies depending on whether the co-owners are joint tenants, tenants in common or there is a partnership carrying on a business of letting rental properties.

See also:

- [Dividing income and expenses according to legal interest](#)
- [Co-owners of an investment property \(not in business\)](#)
- [Partners carrying on a business of letting rental properties](#)

Renting out part or all of your home

If you rented out part, or all, of your home, the rent money you received is assessable income. This means:

- you must declare the rental income in your income tax return
- you can claim deductions for associated expenses, such as part or all of the interest on your home loan
- you may not be entitled to the full main residence exemption from capital gains tax (CGT) when you sell your home.

See also:

- [Renting out part or all of your home](#)

Renting out your holiday home

If you have a holiday home that you rent out, you must include the rent money you received in your assessable income. You can also claim deductions for the associated expenses. In deducting your expenses you must ensure that you are apportioning expenses to account for any private use of the property. You can only claim expenses for periods that your holiday home was being rented or was genuinely available for rent.

See also:

- Holiday homes

Do not show at this section

Don't show the following at this section:

- a deduction for the decline in value of a low-value pool, go to **Low-value pool deduction**
- foreign source rental income, that is, rental income from properties outside Australia, go to **Other foreign income**
- expenses incurred in earning rental income from properties located outside Australia, go to **Other foreign income**
- income earned, or expenses incurred, from peer-to-peer sharing or your car, caravan or car parking space, go to **Any other income**.

Video tutorials

The following video shows you how to include rental income and expenses in myTax.

Media:Rental deductions for vacant land

<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiubtjsfhw>

You can watch [How to include rental income and expenses in myTax](#)

[🔗](#) in full screen on atoTV.

The following video shows you how to use the Depreciation and capital allowances tool.

Media:Tax and COVID-19

<http://tv.ato.gov.au/ato-tv/media?v=bd1bdiuboi7hki>

You can watch [How to use the Depreciation and capital allowance tool](#)

[🔗](#) in full screen on atoTV.

Completing this section

You must have the right records for the claims that you make. You will need details of:

- all rental income earned
- interest charged on money you borrowed for the rental property
- other expenses relating to your rental property
- if applicable, the period your property was genuinely available for rent
- any expenditure on capital works to your rental property.

See [simple steps when preparing your return](#) for useful guidance on how to show your income and expenses.

To personalise your return to show Australian rental income and expenses, at **Personalise return** select:

- You had Australian interest, or other Australian income or losses from investments or property
- Rent (Australian properties)

To show your Australian rental income and expenses, at **Prepare return** select 'Add/Edit' at the Rent banner.

At the **Rent** banner:

Rental property details

We may pre-fill your tax return with some rental property details from your last year's tax return.

1. For each rental property you own or have an interest in that:

- has pre-filled, check them and add rental property details not pre-filled into the corresponding fields.
- has not pre-filled, select **Add** and enter rental property details into the corresponding fields.
 - **Property name**
 - **Address**

In the **Search address** field, start entering an address and select your property address from the drop-down menu.
If your rental property address is not listed in the drop-down menu, select **Use entered address** and enter the full rental property address in the fields provided.
 - **Date property first genuinely available for rent**

Enter the first date that the property was genuinely available for rent
 - **Number of weeks property was rented this year**

Enter the number of weeks the property was rented out during the income year
 - **Ownership percentage**

Enter the percentage amount of your ownership.
If you co-own the rental property, you need to be aware of the way that rental income and expenses are divided between co-owners. Visit [Co-ownership of rental property](#) to learn more.

Rental income

2. For each rental property, complete the [rental income](#) fields:

- **Total rental income**

Enter the total amount of rent payments received for the property

- **Total other-rental related income**

Enter the total of other rental-related income.

If your ownership percentage is less than 100%, myTax will use your ownership percentage to calculate your share of the income amounts. You may alter your share of the amounts. If you do, keep a record of how you worked out your share.

MyTax will calculate **Total gross rent**. If your ownership percentage is less than 100%, myTax will also calculate **Your share of gross rent**.

Rental expenses

3. For each rental property, complete the [rental expenses](#) fields.

The **Depreciation and capital allowances tool** can help you work out any decline in value. It can also work out any deductible balancing adjustment when you stop holding a depreciating asset. Access this tool when you enter your rental income or expense details.

Fields from this tool can't be adjusted in myTax. To make any adjustments or to add new assets to the tool, select the 'Use the depreciation and capital allowances tool' link.

If your ownership percentage is less than 100%, myTax will use your ownership percentage to calculate your share of the expense amounts. You may alter your share of the amounts. If you do, keep a record of how you worked out your share.

MyTax will calculate **Total expenses**. If your ownership percentage is less than 100%, myTax will also calculate **Your share of total expenses**.

MyTax will calculate **Net rent** based on the calculated amounts in **Total gross rent** and **Total expenses**. If your ownership percentage is less than 100%, myTax will also calculate **Your share of net rent**.

4. Select **Save**.

5. Select **Save and continue** when you have completed the **Rent** section.

See also:

- Keeping records
- Rental properties

More information



Simple steps when preparing your return



QC 62550

More information

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On this page

Rental income

Rental expenses

Other tax considerations

Find out about:

- [Rental income](#)
- [Rental expenses](#)
- [Other tax considerations](#)

Rental income

Rental income is the full amount of rent and rental associated payments you earn when you rent out your property (including renting out a room). If payment is made in goods or services, you will need to work out the monetary value of these. Your gross rental income amount includes:

- rental income – rent paid to you
- rental-related income – such as:

- any bond money you
 - retained in place of rent, or
 - kept because of damage to the property requiring repairs
- an insurance payout for lost rent, or a reimbursement of any rental expenses, you claimed in 2019–20 or claimed in an earlier year
- fees retained from cancelled booking.

See also:

- Rental income you must declare
- Renting out part or all of your home
- Holiday homes

Rental expenses

You can claim most expenses relating to your rental property but only for the period your property was rented or genuinely available for rent, for example, advertised for rent without limiting its exposure to potential clients.

Expenses could include advertising for tenants, bank charges, body corporate fees, borrowing expenses, council rates, decline in value of depreciating assets, gardening and lawn mowing, insurance, land tax, pest control, property agent fees or commissions, repairs and maintenance, stationery, phone and water charges.

You can claim 100% of fees or commissions charged by a sharing economy facilitator or administrator.

See also:

- Renting out part or all of your home
- Holiday homes
- Deduction for prepaid expenses
- Always check your supplier's ABN
- Expenses prior to property genuinely available for rent

- Apportionment of rental expenses
- Co-owner rents property
- Guide to depreciating assets

Types of rental expenses

There are three categories of rental expenses:

- expenses you incur and can claim an immediate deduction for in the income year, such as interest on loans – see **Rental expenses you can claim now**
 - Body corporate fees
 - Council rates and local government expenses
 - Interest on loans
 - Land tax
 - Legal fees
 - Agent fees or commissions
 - Repairs and maintenance
 - Travel and car expenses (in some cases only)
 - Other expenses
 - Lease document expenses
 - Mortgage discharge expenses
- expenses you can claim over several income years, such as depreciation – see **Rental expenses you claim over several years**
 - Borrowing expenses
 - Capital allowances
 - Limit on deductions for decline in value of second-hand depreciating assets
 - Capital works

- expenses you can't claim, such as costs your tenant paid, deductions unrelated to your investment property and expenses related to holding vacant land – see [Rental expenses you can't claim](#).

Other tax considerations

- Capital gains tax
- Goods and services tax (GST)
- Negative gearing
- Pay as you go (PAYG) instalments

QC 62550

Simple steps when preparing your return

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Rental property owners should remember three simple steps when preparing their return:

1. Include all the income you receive

This includes income from short term rental arrangements (e.g., a holiday home), sharing part of your home, and other rental-related income such as insurance payouts and rental bond money you retain.

2. Get your expenses right

- **Eligibility** – Claim only for expenses incurred for the period your property was rented or when you were actively trying to rent the property on commercial terms.
- **Timing** – Some expenses must be claimed over a number of years.
- **Apportionment** – Apportion your claim where your property was rented out for part of the year or only part of your property was

rented out, where you used the property yourself or rented it below market rates. You must also apportion in line with your ownership interest.

3. Keep records to prove it

You should keep records of both income and expenses relating to your rental property, as well as purchase and sale records.

And remember, renting property (including all or part of your own home) will usually give rise to a capital gain or loss when you sell the property – which you will need to include in your return in that year. For more information, see **Capital gains or losses**.

See also:

- **Top 10 tips to help rental property owners avoid common tax mistakes**

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Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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