

Do you have a Rental Property?

Things to keep in mind that will be needed at the end of each year

Income

Documented income from rental property

Expenses that are deductible

- Any advertising expenses incurred when trying to find tenants
- *Insurance premiums for coverage of the current year only
- *Interest such as
 - interest on money borrowed to buy or improve rental property,
 - interest paid to tenants on rental deposits,
 - interest on mortgage of rental property
- Legal, accounting and other professional fees
 - legal services to prepare leases or collect overdue rent,
 - legal fees incurred to purchase rental property, cannot be deducted, instead allocate fees between building and land and add to respective costs
 - fees for bookkeeping, audit, or preparation of financial statements
- *Maintenance and repairs
 - cost of labour and materials,
 - however not the value of your own labour
- Management and Administration fees
 - amounts paid to person or company to manage rental property,
 - amounts paid or payable to agents for collecting rent or finding new tenants,
 - if you have commission on sale of rental property, must be included on Schedule 3- Capital Gains (Losses) when reporting the disposition
- Motor vehicle expenses
 - fuel and oil
 - maintenance and repairs
 - insurance
 - license and registration fees
 - **Must have a log of total km, identifying those used for personal and rental**
 - eligible interest paid on vehicle loan
 - eligible leasing costs
 - capital cost allowance
- Office expenses, small items including
 - pens
 - stationary
 - clips
 - stamps
- *Property taxes
- Salaries, wages and benefits, including employers contributions

- Travel Costs (mileage and gas)
 - travel to collect rent
 - travel to do repairs or maintenance of the rental property
 - **Must have a log of total km identifying those used for personal and rental**
- *Utilities, as specified in agreement with tenant
 - gas
 - oil
 - electricity
 - water
 - cable
- *Other expenses
 - landscaping costs
 - snow removal
 - grass cutting
 - lease cancellation payments

** If rental space is part of owner's primary residence, prorate the amount that may be used for specified expenses based on square footage as a portion of total residence*

Did you know...

Vacant land rental follows same rules as a residential rental property

So if you have been renting your vacant land to a farmer as pasture land or farming land, you can claim your incurred expenses against the income.