

*See important notes on reverse side.*

### Income

1. Documented income from rental property .....

### Expenses that are deductible (See important notes on reverse side/page 2)

2. Any advertising expenses incurred when trying to find tenants .....
3. \*Insurance premiums for coverage of property.....
4. \*Interest such as:
- a. interest on money borrowed to buy or improve rental property .....
  - b. interest paid to tenants on rental deposits .....
  - c. interest on mortgage of rental property.....
5. Legal, accounting, and other professional fees:
- a. legal services to prepare leases or collect overdue rent.....
  - b. fees for bookkeeping, audit, or preparation of financial statements.....
6. \*Maintenance and repairs:
- a. cost of labour and materials for minor repairs and maintenance (not the value of your own labour).....
7. Management /Administration:
- a. amounts paid to manage rental property (hired or sub-contracted).....
  - b. amounts paid or payable to agents for collecting rent or finding new tenants .....
8. Motor vehicle and travel expenses .....   
*Restrictions apply. Talk to your tax preparer to see if you are eligible  
Must have a log of total km, identifying those used for personal and rental*
9. Office expenses, small items including pens, stationary, stamps etc. ....
10. \*Property taxes (for the period it was available to rent) .....
11. \*Utilities, as specified in agreement with tenant (gas, oil, water, electric, cable, etc.) .....
12. \*Other expenses such as 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*

### Renting below FMV (Fair Market Value)

You can deduct expenses only if you incur them to earn income. If you are renting to family or friends for below FMV, you cannot claim a loss and you do not report the income.

### “Capital” expenses

A capital expense generally gives a lasting benefit (ex. metal roof), improves a property beyond its original condition (ex. concrete steps replacing wooden ones), replaces a separate asset within a property (ex. new refrigerator), or is of considerable value in relation to the property’s value.

The cost of repairing used property you acquired to put it in a suitable condition for use in your business is considered a capital expense even though in other circumstances it would be treated as a current operating expense.

The cost of repairs made in anticipation of selling a property, or as a condition of sale, is regarded as a capital expense.

Fees incurred to purchase or sell a rental property are considered to be a capital expense. Typically they are allocated between the building and land. Examples include:

- Real estate commissions
- Legal fees

All Capital Costs must be added to the cost of the property and included on Schedule 3 - Capital Gains (Losses) when reporting the disposition.

### Did you know...

Vacant land rental follows same rules as a residential rental property

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.