



# Rental Income & Expenses

<b>INFORMATION</b>	STREET ADDRESS	
	CITY	
	POSTAL CODE	
	PERCENTAGE OF PROPERTY OCCUPIED FOR PERSONAL USE	

<b>INCOME</b>	TOTAL RENTAL INCOME RECEIVED	
	NUMBER OF UNITS	
	OWNERSHIP PERCENTAGE (owned with spouse? partnership?)	

<b>EXPENSES</b>  ~ PLEASE INCLUDE FULL TOTALS FOR THE YEAR. WE WILL REDUCE THESE NUMBERS TO RENTAL PERCENTAGE ~	ADVERTISING	
	INSURANCE (on property)	
	MORTGAGE *(interest portion only)*	
	TAX PREP FEE	
	MANAGEMENT / ADMIN FEES (bank)	
	REPAIRS / MAINTENANCE	
	PROPERTY TAXES	
	TRAVEL (between multiple rental properties only)	
	UTILITIES - HEAT	
	UTILITIES - HYDRO	
	UTILITIES - OTHER	
	WATER HEATER / SOFTENER	
	SUPPLIES (salt / etc.)	
	EXPENSES - OTHER	
CAPITAL IMPROVEMENT COSTS		

**CONSULT PV TAX FOR ELIGIBILITY OF LARGE EXPENDITURES**

**PLEASE SUBMIT ONE SCHEDULE FOR EACH PROPERTY**

**Disclaimer: Your tax return prepared by PV Tax based on the information provided.**

**Client Signature** \_\_\_\_\_

## **Rental Expenses**

Generally, you can deduct any reasonable expenses you incur to earn rental income. The two basic types of expenses are:

### **1. Current or Operating Expenses**

Current or operating expenses are recurring expenses that provide a short-term benefit. An example of a current expense is the cost of repairs made to keep a rental property in the same condition it was in when purchased. You can deduct current expenses from your gross rental income in the year you incur them.

- accounting fees,
- advertising costs,
- commissions to agents to collect rents,
- condominium fees,
- financing fees,
- insurance premiums,
- interest expenses,
- landscaping costs,
- lease cancellation payments,
- legal expenses to prepare leases or collect overdue rents,
- maintenance and repairs,
- mortgage penalties,
- motor vehicle expenses
- office expenses,
- property taxes,
- salaries and wages,
- tax return preparation fees, and utilities.

**Following is a list of current operating expenses that you cannot deduct from rental income:**

- the principal portion of mortgage payments,
- penalties from tax assessments, and
- the value of your own labour for services you provide.

### **2. Capital Expenditures**

Capital expenditures provide a benefit which usually lasts longer than the current year. Costs to purchase or improve your property are examples of capital expenditures. Generally, you cannot deduct the full amount of these expenditures in the year you incur them. Instead, you can deduct part of their cost each year as capital cost allowance.

- the purchase price of the property,
- legal fees and other costs connected with buying the property,
- the cost of furniture and equipment that you are renting with the property, and
- costs relating to construction, renovation, or alteration (soft costs) of the property.

In some circumstances, current expenditures can be considered capital. For example, "soft costs" such as interest, legal fees, accounting fees and property taxes incurred during a period of construction of a rental building may have to be added to the capital cost of the building.

Major repairs and other expenditures that extend the useful life of your property or improve it beyond its original condition are usually capital expenditures.