

# Renting out a room?

### How to work out the expenses you can claim

### If you rent out a room, a unit or a whole house on an occasional basis through the sharing economy, for tax purposes you need to:

- keep records of all income earned and declare it in your income tax return
- keep records of expenses you can claim as deductions
- calculate your capital gain when you sell the property



### Income you need to declare: Deductions you may

- all income before fees and commissions
- insurance payouts, eg compensation for damage caused by renting
- bonds or security deposits you become entitled to retain
- letting and booking fees, including cancellation fees

## claim include:

- fees from the facilitator
- power, gas and council rates
- property insurance
- cleaning and maintenance
- other associated expenses

Whether all or part of the expense can be claimed will depend on:

- the number of days you rent out the property during the year
- the portion of the property you have rented out (for example, a room or the whole property)
- how you use the property, including any personal use

### Working out the deductions you can claim

- How big is the property?
- How big is the rented room?
- How big are the shared/common areas?
- How many days was the room rented out?

#### How to work it out

Rented room (claim 100% for days rented):

rented number of % of total days in X 100 = expenses room size total size of house/unit the vear

Common areas (claim 50% for days rented):

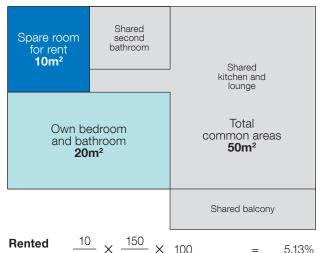
total number of days rented × 50% × 100 = % of common areas total days in total size of claimable house/unit the year

### **Capital Gains Tax**

When selling the property, you may have to pay capital gains tax (CGT). To find out more, visit ato.gov.au/cgt

### **Example**

(80m² unit, 10m² room rented for 150 days)



 $\frac{10}{80} \times \frac{150}{365} \times 100$ 5.13% room:

Common X 50% X 100 = 12.84% areas:

Total percentage of expenses you can claim 17.97%