Residential Investment Properties Travel Deduction

I wish to voice my concern over the proposed changes to disallow all travel expenditure to residential investment properties.

Whilst I can understand that some claims are “over the top”, most residential property owners are doing the right thing when claiming the cents per kilometre method for travel to inspect and maintain their residential investment properties.

I can understand the interstate claims for flights may be over claimed and not apportioned however, the cents per kilometre method reduces the amount claimable.

I live in Esperance, WA and have a residential investment property in Albany WA, some 500 kms away. I purchased the property in 2008 (at the height of the housing boom) to live in. Due to changes in employment I moved to Esperance in 2011. I am unable to sell the property due to the decline in the property market. I cannot afford the 9% fee charged by a real estate to manage the property. Over the time I have rented the property my tenants have not necessarily maintained the property to the expected level. I have to visit the property on a regular basis to inspect, make repairs and visit with the tenants. I use the cents per kilometre method to claim travel to the property.

By removing the travel claim to residential investment property owners would be to hurt the legitimate mum and dad taxpayers claiming actual costs to maintain properties. This also goes against the whole accounting principal of revenue and expenses. Travel expenses are a legitimate expense in earning assessable income.

I think Treasury need to rethink the legislation to remove all travel expenses. A limit on the claim to $3,300 (5000 kms at $0.66c/km) or even a reduced kilometre amount might be a better approach. Remove flights as a deduction allowance to remove the claims by taxpayers who do not apportion claims. You need to allow some travel claims for ordinary mum and dad taxpayers who are doing the right thing.

Thank you

Rick Martin