

Travel deductions

To whom it may concern,

I wish to make this submission in relation to the proposed travel expenditure relating to residential investment properties being denied.

I believe this is grossly unfair as these expenses are legitimate deductions. It is unfair to deny these deductions just because some taxpayers do not claim the correct amount just as any other expense item. Travel to inspect and maintaining these properties are a fundamental expense. In the majority of cases these expenses are incurred in earning the income. The effect would eventually be that landlords would want to claw back this cost from increasing rents or less investment in residential property which would put further pressure on residential rents.

The solution would be to better manage this by further audits and education not just simply denying a legitimate expense. This would create a precedent to further deny other deductions not only for residential investment properties but for other forms of income. Where does it end? To deny an expense directly related to producing assessable income is grossly unfair and contra to the ITAA. At the outset if you are going to deny a deduction it should be included in the cost base when the asset is eventually sold.

Regards

Paul Salerno