

# Rental Property Checklist

Type of ownership:                     Sole Proprietor                     Partnership

If the rental property is owned by a partnership please record the name, social insurance number, address and percentage of the ownership of all partners involved:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## Rental Income

Have you purchased or sold any rental properties in the year?    Yes \_\_\_\_\_ No \_\_\_\_\_  
 If yes, please enclose all purchase and /or sale documents.

Have any properties changed from personal property to rental property in the year?    Yes \_\_\_ No \_\_\_  
 Have any properties changed from rental property to personal property in the year?    Yes \_\_\_ No \_\_\_

Rental Property Address	# of Units	Gross Rents
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

## Rental Expenses

Have you had any personal usage of any of the above named rental properties?    Yes \_\_\_\_\_ No \_\_\_\_\_  
 If yes, estimate the personal usage of the rental property.    \_\_\_\_\_%

Advertising	\$ _____	Property Taxes	\$ _____
Insurance	\$ _____	Salaries & Wages	\$ _____
Mortgage Interest	\$ _____	Travel	\$ _____
Management Fees	\$ _____	Utilities	\$ _____
Office Expenses	\$ _____	Condo Fees	\$ _____
Legal	\$ _____	Bank Charges	\$ _____
Accounting	\$ _____	Repairs & Maint.	\$ _____
Professional Fees	\$ _____	Other	\$ _____

Did you have the following:

Capital expenditures in the year (i.e. Appliances, Renovations, etc)?    Yes \_\_\_\_\_ No \_\_\_\_\_  
 If you are unsure whether or not your purchase is a capital expenditure see back of page.

Automobile use for the above described rental properties in the year?    Yes \_\_\_\_\_ No \_\_\_\_\_  
 If yes, please request our automobile expense checklist.

# Rental Property

## Expenses you cannot Deduct

- Land Transfer Taxes –
  - Cannot deduct land transfer taxes paid when you bought your property; add these amounts to the cost of the property.
- Mortgage Principal –
  - Cannot deduct the repayments of principal on your mortgage or loan on your rental property. For information about the interest part of your mortgage, see *line 8710 – Interest*.
- Value of your own Labor –
  - Cannot deduct the value of your own services or labor.
- Personal Portion of Expenses –
  - If you rent part of the building where you live, you can only claim the amount of your expenses that relate to the rented part of the building.

## Current Expenses or Capital Expenses

Renovations and expenses that extend the useful life of your property or improve it beyond its original condition are usually capital expenses. However, an increase in a property's market value because of an expense is not a major factor in deciding whether the expenses are capital or current.

To decide whether an amount is a current or a capital expenses, you should answer the following questions:

Rental Property - Current or Capital Expense

Criteria	Capital Expenses	Current Expenses
Does the expense provide a lasting benefit?	A capital expense generally gives a lasting benefit or advantage. For example, the cost of putting vinyl siding on the exterior walls of a wooden house is a capital expense.	A current expense is one that usually recurs after a short period. For example, the cost of painting the exterior of a wooden house is a current expense.
Do the expenses maintain or improve the property?	The cost of a repair that improves a property beyond its original condition is probably a capital expense. If you replace wooden steps with concrete steps, the cost is a capital expense.	An expense that simply restores a property to its original condition is usually a current expense. For example, the cost of repairing wooden steps is a current expense.
Is the expense for a part of a property or for a separate asset?	The cost of replacing a separate asset within that property is a capital expense. For example, the cost of buying a refrigerator for use in your rental operation is a capital expense. The Refrigerator is a separate asset and is not a part of the building.	The cost of repairing a property by replacing one of its parts is usually a current expense. For instance, electrical wiring is part of a building. Therefore, an amount you spend to require is usually a current expense, as long as the requiring does not improve the property beyond its original condition.
What is the value of the expense? (Use this test only if you cannot determine whether an expense is capital or current by considering the three previous tests.)	Compare the cost of the expense to the value of the property. Generally, if the cost is considerable in relation to the value of the property, it is a capital expense.	This test is not a determining factor by itself. You might spend a large amount of money for maintenance and repairs to your property all at once. If this cost was for ordinary maintenance that was not done when it was necessary, it is a maintenance expense, and you deduct it as a current expense.