

Place of business and tax



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The type of property used to run a business, generally has the following tax implications:

- You must declare any rental income in your tax return,
- You can claim income tax deductions for some property expenses,
- You will be liable for capital gains tax on any capital gain when you sell.

You also need to be aware that you may be liable for GST and entitled to claim GST credits when you buy, sell, lease or rent commercial premises.

Let's breakdown each component:

Eligible to claim GST credits:

- When buying or renting a commercial property.

Required to pay Capital Gains Tax

- When selling a commercial property or selling your home, if it is your principal place of business.

Possible claim tax deductions:

- For ownership and maintenance expenses when buying a commercial property.
- Rent and related expenses for leasing and renting commercial property.
- Claim income tax deductions for a portion of the costs of owning, maintaining and using your home for running a business.

For working farms, commercial residential premises such as hotels, boarding houses etc., and retirement villages, be sure to contact our tax specialists in Victoria for tax related advice.

When it comes to your place of business, there is possibly GST free, GST credits, capital gains and tax deductions you should know about.

Find out exactly about the tax implications for your place of business. Contact our professional's in tax at Tax Matters and Business Affairs on (03) 9416 1679 or email info@taxmatters.net.au.