

A TALE OF TWO LANDLORDS

Wage & salary earning landlord on \$90,000

	TAX	CHANGE	WITH 0.5% LAND TAX	CHANGE
Current tax to pay	\$21,181	-	-	-
No building depreciation	\$23,005	\$1824 worse off	\$1000	\$2824 worse off
No depreciation but 30% top tax	\$20,902	\$279 better off	\$1000	\$720 worse off

Superannuitant landlord living alone on \$18,954

Current tax to pay	\$1524	-	-	-
No building depreciation	\$2124	\$600 worse off	\$1000	\$1600 worse off
No depreciation but 30% top tax	\$2124	\$600 worse off	\$1000	\$1600 worse off

ASSUMPTIONS:

■ Rental property worth the national median \$360,000
■ Valuation: \$200,000 land, \$160,000 buildings

■ Place has 80 per cent mortgage at 7% interest
■ Mortgage interest expenses of \$20,160 annually