

MEDIA RELEASE

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Budget incentive encouraged farmers to claim depreciation

Australia's leading provider of tax depreciation schedules, BMT Tax Depreciation, has seen an increase in the number of agricultural property owners seeking depreciation advice after incentives were implemented during the May 2015 federal budget.

From May last year, farmers were encouraged to make additional claims in the form of instant deductions for fencing and water facilities such as dams, tanks, bores, irrigation channels, pumps, water towers and windmills.

These changes, plus alterations to the effective lives of plant and equipment assets such as silos and tanks, could explain an increase in the number of schedules provided during the past two financial years according to Bradley Beer, BMT Tax Depreciation's Chief Executive Officer.

"The demand for agricultural depreciation schedules increased by 36 per cent during the 2014-2015 financial year and 51 per cent during the 2015-2016 financial year," said Mr Beer.

"The additional incentives outlined in the 2015 federal budget and the publicity around available tax breaks for farmers have had an influence on the increased demand experienced by BMT.

"A tractor valued at \$92,000 could see an investor claim \$13,800 in depreciation deductions in the first financial year alone while a dam valued at \$63,500 can be claimed in full in the first financial year thanks to the incentives implemented during the 2015 federal budget," said Mr Beer.

Owners of any properties used for primary production such as dairy farms, livestock producers, orchards, crop production and even vineyards are encouraged to obtain a tax depreciation schedule from a quantity surveyor.

Quantity surveyors are qualified under Tax Ruling 97/25 as one of a few select professionals with the expertise necessary to calculate building costs for the purposes of tax depreciation.

A depreciation schedule will outline the deductions available for the wear and tear that occurs over time to the structure of the building and any plant and equipment assets in any property which is used to produce income.

"For farmers who might be struggling with cash flow, depreciation deductions can provide additional income to help with day to day expenses and business operations," said Mr Beer.

Owners of all types of commercial properties can estimate their likely depreciation deductions using the BMT Tax Depreciation Calculator at bmtqs.com.au/tax-depreciation-calculator.

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About BMT Tax Depreciation

BMT Tax Depreciation (BMT) is a Quantity Surveying company specialising in the provision of tax depreciation schedules for residential and commercial investment properties. Commencing business in 1997, demand from property investors nationally has seen business expand Australia-wide with offices now located in Sydney, Parramatta, Melbourne, Brisbane, Newcastle, Adelaide, Perth, Gold Coast, Cairns, Canberra, Hobart and Darwin.

Maximising the cash return
from your investment property