

PROTECTED: SENSITIVE: CABINET

ATTACHMENT J

DISALLOW TRAVEL EXPENSES RELATING TO RESIDENTIAL INVESTMENT PROPERTY

s 22

- This integrity measure will address concerns that some taxpayers are claiming expenses without actually incurring the costs, or are not correctly apportioning costs.
 - For example, claiming airfares associated with inspecting an investment property when the main purpose of the travel is for a holiday.

s 22

Key sensitivities

- This measure is likely to attract criticism from residential property investors who can no longer deduct travel expenses.
 - This measure will improve the integrity of the tax system. As part of the Government's 'Reducing pressure on housing affordability' plan, this measure will provide confidence in the tax system by ensuring tax concessions are better targeted.

Contact: s 22

Treasury

(m) s 22

42

PROTECTED: SENSITIVE: CABINET

PROTECTED: SENSITIVE: CABINET

ATTACHMENT K

LIMIT PLANT AND EQUIPMENT DEDUCTIONS TO EXPENSES DIRECTLY INCURRED BY INVESTORS

s 22

Key sensitivities

- This measure is likely to attract criticism from residential property investors and industry stakeholders, such as quantity surveyors.
 - Preparing tax depreciation schedules for residential property investment is one of many functions performed by quantity surveyors.

Contact: s 22

Treasury

(m) s 22

43

PROTECTED: SENSITIVE: CABINET

Possible role for CHPs in scheme to encourage investment in affordable housing by offering a government incentive to eligible landlords

s 22

The scheme would have more integrity of CHPs had a key role in the administration and compliance of the proposed scheme, particularly in relation to record keeping and reporting.

s 22