

## Supporting Document Checklist Required to Complete Your Property CGT Reporting

### 1. Property Acquisition Documents (The Purchase)

These documents establish the **First Element** of your cost base. You must prove what the asset originally cost to acquire.

- **Signed Contract of Sale:** Proves the initial purchase price and the exact date the contract was signed. *(Note: The ATO uses the contract date, not the settlement date, to determine the financial year of acquisition).*
- **Settlement Statement of Adjustments:** Prepared by your conveyancer/solicitor at the time after settlement. This verifies the actual funds exchanged.
- **PEXA Settlement Statement:** This digital ledger details the exact movement of funds, bank payouts, final distribution balances, and verified transaction timestamps at the point of digital exchange.
- **Acquisition Expenses Receipts:**
  - State government stamp duty confirmation.
  - Conveyancer or solicitor legal fees for the purchase.
  - Building and pest inspection reports paid during acquisition.
  - Buyers agency fees (if applicable).

### 2. Property Disposal Documents (The Sale)

These documents prove your gross capital proceeds and the structural costs incurred to exit the investment.

- **Signed Contract of Sale:** Establishes the formal disposal date and disposal value. *(This contract date determines which financial year the CGT event is reported in).*
- **Settlement Statement of Adjustments:** Documents the final payout, showing exact figures on settlement day.
- **PEXA Settlement Statement:** This digital ledger details the exact movement of funds, bank payouts, final distribution balances, and verified transaction timestamps at the point of digital exchange.
- **Deductible Selling Expenses Receipts:**
  - Real estate agent commission invoices.

- Marketing, professional photography, and signboard advertising invoices.
- Staging/styling invoices.
- Conveyancing or legal fees incurred for drafting the Section 32 and handling the settlement.
- Bank fees associated with discharging the existing mortgage.

### 3. Ownership & Capital Improvement Records

These documents form the elements of the cost base that cover structural improvements and adjustments over the period you owned the asset.

- **Receipts for Capital Works & Structural Renovations:** Invoices for extensions, major kitchen/bathroom renovations, new fencing, or structural retaining walls.

**The Double-Dipping Rule:** If you previously claimed a **Division 43 (Capital Works)** deduction (usually at 2.5% per year) on your annual rental tax returns, those claimed amounts must be subtracted from your cost base. **Quantity Surveyor Depreciation Schedule** is required to calculate this adjustment accurately.

- **Quantity Surveyor Tax Depreciation Schedule:** Essential for tracking the exact decline of Division 40 (plant and equipment) and Division 43 assets so your accountant can correctly adjust the cost base without triggering an ATO audit.
- **Non-Deductible Holding Costs (If Applicable):** If the property was ever vacant, landlocked, or left completely un-rented for a period (and you were *not* claiming deductions for it annually), keep records of the council rates, water rates, land tax, insurance, and loan interest during that specific downtime. These can often be added to the cost base to reduce your gain.

### Crucial Tax Tip for Your Reporting

#### The 5-Year Record Retention Mandate:

Unlike ordinary work-from-home or car expense receipts, which you only need to keep for 5 years from the date you lodge that specific year's tax return, **all CGT records must be kept for 5 years from the date you lodge the tax return in which the sale occurs.** Because you are reporting the sale now, you must safely archive all your original purchase documents from years ago for another 5 years starting from today.