

# 30 per cent small business bonus tax deduction

Small businesses are the engine room of the economy, providing jobs for nearly 4 million Australians.

The Rudd Labor Government is working with small business to help them remain viable, provide jobs and deliver the investments needed to strengthen future economic growth.

A key part of the Rudd Government's **Nation Building and Jobs Plan** is a \$2.7 billion Small Business and General Business Tax Break to boost business investment.

## Who can claim the tax break?

To benefit from the tax break, a small business must have a turnover of \$2 million a year or less.

## What does the tax break mean for your small business?

Small businesses will be able to claim a bonus deduction of 30 per cent for eligible assets costing \$1000 or more that they:

- Acquire from 13 December 2008 to 30 June 2009, or start to construct between these times; and
- Have installed ready for use by 30 June 2010.

Small businesses will be able to claim a bonus deduction of 10 per cent for eligible assets costing \$1000 or more that they:

- Acquire from 1 July 2009 to 31 December 2009, or start to construct between these times; and
- Have installed ready for use by 31 December 2010.

## Which assets are eligible?

Assets eligible for the allowance are new tangible depreciating assets and new expenditure on existing assets used in carrying on a business for which a deduction is available under the core provisions of Division 40 (Capital Allowances) of the Income Tax Assessment Act 1997.

## How can I claim the tax break?

The deduction will be available to the taxpayer who is entitled to the capital allowance deduction in respect of the asset. The deduction is on top of the usual capital allowance deduction claimable for the asset as part of your income tax return.

The deduction is claimable in the income year in which the asset is installed and ready for use.



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