



**Australian Government**  
**Australian Taxation Office**

# Investment Allowance: small business and general business tax break

The Government has announced an investment tax break for business.

The tax break, in the form of an investment allowance will provide:

- an additional tax deduction of 30 per cent of the cost of eligible new depreciating assets acquired under a contract, or started to be constructed, after 12.01am AEDT 13 December 2008 and before the end of June 2009 and installed ready for use by the end of June 2010.
- an additional tax deduction of 10 per cent of the cost of eligible new depreciating assets acquired under a contract, or started to be constructed, between 1 July 2009 and 31 December 2009 and installed ready for use by the end of December 2010.

New expenditure on existing assets may also qualify.

For both periods, small businesses will be able to claim the deduction for eligible assets costing \$1,000 or more. Small businesses must have a turnover of less than \$2 million a year to qualify.

For other businesses, a minimum expenditure threshold of \$10,000 applies.

## Press release

For more information, please see the Treasurer's joint [Media Release No. 13](#) with the Prime Minister and the Minister for Small Business of 3 February 2009.

This joint Media Release supersedes the Treasurer's [Media Release No. 141](#) of 12 December 2008.

A further Treasurer's [Media Release No.019](#) announcing the release of draft legislation was issued on 25 February 2009.

## Legislation and supporting material

Legislation to introduce the measure is contained in the Tax Laws Amendment (Small Business and General Business Tax Break) Bill 2009. Copies of the [Bill and associated Explanatory Memorandum](#) are available.

## Further information

Frequently Asked Questions (FAQs) and answers on the measure are available on the [Treasury website](#) as a guide to how the proposed measure is likely to operate subject to the passage of the Bill through Parliament. The FAQs should only be read as a guide to how the legislation might ultimately operate and this is subject to change.

Last Modified: Friday, 20 March 2009

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