



## What are the deadlines?

There are a number of deadlines you should be aware of.

### Businesses with less than \$2 million turnover

To qualify for the 50% tax break you must:

- buy the asset between 13 December 2008 and 31 December 2009, and
- install the asset between 13 December 2008 and 31 December 2010.

### Businesses with turnover of \$2 million or more

To qualify for the 30% tax break you must:

- have bought the asset between 13 December 2008 and 30 June 2009, and
- install the asset between 13 December 2008 and 30 June 2010.

If you miss the 30% deadlines, you will qualify for the 10% tax break if you:

- have bought your asset between 13 December 2008 and 30 June 2009, and
- install the asset between 1 July 2010 and 31 December 2010.

You will also qualify for the 10% tax break if you:

- buy your asset between 1 July 2009 and 31 December 2009, and
- install the asset between 1 July 2009 and 31 December 2010.

Visit our website for more detailed information about each deadline.

## An example of how the tax break works.

Maria is a small business owner who buys a computer for her shop and installs it in June 2009.

The computer costs \$2,400 (excluding GST and the cost of software used on the computer). Maria will be able to claim an additional \$1,200 tax deduction (50% of \$2,400) in her 2008-09 business income tax return.

After applying the 30% company tax rate\* (the rate which applies to her business), this tax deduction would reduce the amount of tax Maria's business would have to pay by \$360.

\*If you're a sole trader, your personal income tax rate would apply.

## Where can I find out more?

- Visit [www.australia.gov.au/businessstaxbreak](http://www.australia.gov.au/businessstaxbreak)
- Phone the business tax break info line on **1300 337 921**

If you do not speak English well, you can call the Translating and Interpreting Service on **13 14 50**

If you are speech or hearing impaired:

- TTY on **13 36 77**
- Speech-to-speech relay service on **1300 555 727** or Internet relay service at [www.relayservice.com.au](http://www.relayservice.com.au)

## Our commitment to you

We are committed to providing you with guidance you can rely on, so we make every effort to ensure that our publications are correct.

If you follow our guidance in this publication and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

© COMMONWEALTH OF AUSTRALIA 2009

**PUBLISHED BY**

Australian Taxation Office, Canberra, July 2009  
NAT 73139-07.2009 [JS 14263]

# Business Tax Break

what it means for  
your business.



## 50% tax break for businesses with turnover less than \$2 million.

If you own a small business that turns over less than \$2 million a year, you can claim an extra 50% tax deduction on the cost of eligible assets which cost \$1,000 or more.

## 30% or 10% tax break for businesses with turnover of \$2 million or more.

Larger businesses may qualify for an extra tax deduction on eligible assets which cost \$10,000 or more.

The above tax deductions are in addition to the deductions for decline in value you can claim for the cost of an asset you use in your business.

The tax break is temporary and deadlines apply.

## What you need to know before you do anything.

The tax break is not a refund, rebate or tax offset. It's a tax deduction to reduce the assessable income of your business. Some conditions apply so it's important you understand them before buying an asset. Have a chat to your tax adviser, or visit [www.australia.gov.au/businessstaxbreak](http://www.australia.gov.au/businessstaxbreak) to find out more.

## What conditions do I have to meet?

If you're a small business with an annual turnover of less than \$2 million, the 50% tax deduction may be available to you for assets which cost \$1,000 or more.

If your business has an annual turnover of \$2 million or more you may be eligible for the 30% or 10% tax deduction. It will depend on when you buy and use the asset which has to cost \$10,000 or more.

## What can I buy?

The tax break covers new, tangible, depreciating assets such as:

- cars, vans, trucks and other business vehicles
- computer hardware (but not software)
- tools
- furniture.

It also covers investments you make in existing assets such as substantial improvements or additions. Repairs aren't eligible.

You can add together the cost of items which form part of a set or are identical, in order to meet the \$1,000 or \$10,000 thresholds.

You must use the asset mainly in Australia and mainly in your business.

## What about cars?

You can claim the tax break for vehicles if you use the log book, one-third of actual expenses or 12% of original value method to calculate your vehicle expenses.

You can't get the tax break for vehicles where you use the cents per kilometre method.

## What isn't eligible?

You can't claim the tax break for such things as:

- second-hand goods
- cars where you use the cents per km method
- land
- capital works – including most buildings
- water facilities such as dams, bores or wells
- trading stock, or
- intangibles such as software or intellectual property rights, among other items.

## What about GST?

In working out your tax deduction, you would exclude any GST which is claimed as an input tax credit.

## How and when do I claim?

You claim the tax break in your business' income tax return for the year you first use the asset or have it installed ready for use if you meet the conditions for that income year.