



Small Business Tax Write Off Guide

2019-2020 YEAR



\$150,000 INSTANT ASSET WRITE OFF

Small businesses (i.e. those with an annual turnover of less than \$500M) can claim an immediate deduction for assets they purchase from the 12th of March 2020 to the 30th June 2020 that cost less than \$150,000 (net of GST). This deduction will finish on the 30th June 2020 when the deduction will return to \$1,000.

The original \$30,000 threshold still applies for assets purchased before the 12th of March 2020.

If the asset is over \$150,000 it will be added to the general pool of assets and will depreciate at 15% in the first year with a diminishing value rate of 30% in future years.

The asset can be new or second hand purchased in Australia or overseas.

The only catch here is if you sell an asset you have previously depreciated in full in the year of purchase, the item is fully taxable when you sell it.

ACCELERATED DEPRECIATION

Small businesses (i.e. those with an annual turnover of less than \$500M) can claim 50% of the cost of assets they purchase from the 12th of March 2020 to the 30th June 2021. This accelerated depreciation deduction will finish on the 30th June 2021.

Existing depreciation rules apply to the remaining balance of the asset.

This does not apply to second hand assets or structural improvements (i.e. sheds).

There is no threshold limit to this rule (i.e. asset can cost over \$150,000).