



Monthly Information Newsletter – Tax & Super

July 2020

Instant asset write off extended to 31 December

Note that the boost to the instant asset write off rules that the government put in place to help stimulate the Australian economy in the face of the COVID-19 crisis has been extended to the end of this year. Businesses with a turnover of up to \$500 million a year will be allowed to continue writing off newly purchased assets worth up to \$150,000.

To get your claim right, remember:

- check if you're an eligible business
- both new and second-hand assets can be claimed, provided each asset costs less than \$150,000
- assets must be first used or installed ready for use between 12 March and 30 June for a claim for the 2019-20 year, or between 1 July and 31 December for a claim for the 2020-21 year
- a car limit applies to "luxury" passenger vehicles. The limit is \$57,581 for the 2019-20 income tax year
- if your asset is for business and private use, you can only claim the business portion
- you can claim a deduction for the balance of your small business pool if it's less than \$150,000 at 30 June 2020 (before applying depreciation deductions)
- different eligibility criteria and thresholds apply to assets first used, or installed ready for use, prior to 12 March 2020.

The threshold applies on a per asset basis, so eligible businesses can immediately write-off multiple assets provided each costs less than \$150,000. The extension will also give businesses additional time to acquire and install assets (which can be new or second-hand), as they will now have until the end of the calendar year.

DISCLAIMER

All information provided in this article is of a general nature only and is not personal financial or investment advice. Also, changes in legislation may occur frequently. We recommend that our formal advice be obtained before acting on the basis of this information.

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