



Monthly Information Newsletter – Tax & Super

October 2023

Small business skills and training boost

Looking to boost your employees' skills and your tax deductions at the same time? Then keep reading to see if you could be eligible for the small business skills and training boost!

If you run a small or medium business and are planning on investing in, or recently invested in, training your employees, taking care to ensure the training is provided by a registered training provider could mean you can claim an additional 20% bonus tax deduction at tax time.

Which training expenses are eligible for the bonus?

Eligible expenditure must be:

- for training your employees, in-person in Australia, or online
- for training provided by registered training providers (for example see training.gov.au and [National Register of Higher Education Providers](#))
- charged by the registered training provider for course fees and related items such as books and equipment (for deductions claimed over time such as depreciation, the bonus deduction will be calculated as 20% of the full amount and claimed upfront)
- incurred between 29 March 2022 and 30 June 2023 (the bonus is claimed in your 2022-23 tax return) or between 1 July 2023 and 30 June 2024 (the bonus is claimed in your 2023-24 tax return).

Which training expenses are not eligible for the bonus?

- Training you provide to your employees yourself (eg on-the-job training)
- Training for yourself if you are self-employed or in a partnership
- Training provided to independent contractors
- Training provided by non-registered providers
- Training provided by registered providers that are associates of yours

- Expenses not charged by the registered training provider eg if an intermediary has charged a commission on top of the training course.

To avoid a costly unexpected FBT liability come 31 March, make sure the training relates to an employee's current duties or helps them get a promotion or pay-rise in their current role – see our September 2023 Newsletter. (Paying an employee's HECs or other study-loan repayment will usually attract FBT.)

If you are uncertain whether your training expenditure is deductible, eligible for the bonus, or concerned it may attract FBT, reach out to us – we'd love to help.

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