



## Monthly Information Newsletter – Tax & Super

November 2023

### When two bonuses are not enough: introducing the Energy Incentive!

If you've been putting off upgrading the inefficient office air-conditioner, a new 20% bonus deduction might just be the incentive you need to help beat the heat before it arrives with a vengeance!

Whilst the small business Technology Investment Boost has now ceased<sup>1</sup>, not only can you still take advantage of the Skills and Training Boost (generally for expenditure on training employees incurred before 30 June 2024), but there is also now a new kid in town - the small business Energy Incentive!

Similar in design to the earlier 'boosts', the proposed Energy Incentive provides a bonus tax deduction of 20% of expenditure on improving the energy efficiency of your business. Up to \$100,000 of expenditure can be eligible for the incentive, with the maximum bonus tax deduction being \$20,000 for the 2023-2024 tax year.

What type of expenses are eligible for the bonus? Where you can show improved energy efficiency, expenditure on electrifying heating and cooling systems, upgrading appliances such as fridges and cooktops, and installing batteries, heat pumps and off-peak electricity monitors can all be eligible. (As always, there are some exclusions, such as expenditure on motor vehicles, building improvements and financing expenses.)

Although this proposed Energy Incentive is not yet law, it is an opportune time to consider whether your business may want to take advantage of the bonus and undertake the preparation and 'leg work' needed to ensure you can maximise the bonus.

If you are interested in finding out more about either the Skills and Training Boost or the proposed new Energy Incentive, feel free to reach out to us and we can provide the information and guidance needed to make sure your business gets the most out of both incentives (before they end on 30 June 2024!)

1 Where eligible, businesses will be able to claim this bonus in their 2023 tax return.

#### DISCLAIMER

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