

Don't miss your opportunity to take advantage of the Small Business and General Business Tax Break!

HOW DOES IT WORK?

A small business with turnover of \$1,800,000 pa purchases a new Copier/Printer on the 15th April 2009 for their staff totalling \$5,000. Under the proposed tax break they can claim an additional \$1,500 in deductions for their 2008-09 tax return.

A larger business with turnover greater than \$5,000,000 purchases a new printing press on the 20th April and have it installed and in use on the 19th August 2009, valued at \$100,000. Taking into account the proposed tax break on offer they can claim an additional \$30,000 in deductions for their 2008-09 tax return.

Take advantage of the investment allowance of 30%, record low interest rates and great deals from equipment vendors.

The federal government announced in early February a special 30% investment tax break to help stimulate investment in capital equipment.

While full details have not yet been confirmed, it is important for business to begin planning. Businesses are encouraged to bring their capital expenditure plans forward to take advantage of this tax break.

Under the proposed tax break a business can claim an extra 30% tax deduction for new assets, or upgrades to existing assets for capital investment undertaken between December 13, 2008 and June 30, 2009 and install prior to 30 June 2010. For assets purchased between July 1, 2009 and December 31, 2009 a reduced incentive of 10% still applies.

It is important for businesses to begin organising their capital equipment needs early to avoid missing out on this important tax break.

Small business whose turnover is less than \$2,000,000 pa can claim the deduction for all assets \$1,000 or more. Larger businesses can claim the allowance for assets \$10,000 or greater.

“Now is a good time to analyse your current capital equipment, identify deficiencies or opportunities and plan out what you need. Once you have decided on your needs, plan out when and how you will acquire the new equipment. How much income could this new equipment generate for you?”

CAN I FINANCE THE EQUIPMENT?

Financing your new purchase will ensure you reap the benefits available through additional deductions and the added efficiencies of new equipment today. Whilst allowing you to spread the cost of the equipment over a number of years and future earnings.



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