MTMA REGISTERED TAX AGENTS

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STOP PRESS NEW INVESTMENT ALLOWANCE
NOW 50% FOR SMALL BUSINESS

Business Tax Break receives Royal Assent:

1. On what asset purchases can I get the investment allowance for?
    Tangible, depreciating assets for tax purposes such as:
- Cars, Machinery, Equipment and new expenditure on existing assets

2. What assets purchases can't I get the investment allowance for?
- Intangible assets such as computer software and intellectual property rights
- Cars using the 'cents per kilometre' method
- Land
- Trading stock

3. The investment allowance is only available for new assets and new expenditure on existing assets. What assets are considered to be 'new'?
The asset must never have been installed, ready for use by the taxpayer or another entity for any purpose.

4. What about 'demonstrator' vehicles? Can I get the investment allowance on a 'demonstrator'?
Yes.

5. Who gets the bonus deduction?
The bonus deduction can be claimed by the taxpayer that is entitled to tax deductions for the depreciation of the particular asset. e.g.
- The hirer in the case of a hire purchase agreement
- The borrower in the case of a chattel mortgage
- The lessee in the case of a luxury car lease

6. Is there a minimum spend requirement?
Small businesses must spend at least $1,000 on each new asset in order for the investment allowance to apply.

7. When does the 50% deduction apply?
Available to small businesses that acquire an eligible asset between 13 December 2008 and 31 December 2009 and install it ready for use by 31 December 2010.

The business tax break is only available to the taxpayer who claims the depreciation therefore it will not apply to leased assets. Please do not hesitate to call us for finance assistance or any questions you may have in relation to this matter.

Kind regards

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