



INSTANT ASSET WRITE-OFF INCREASED, EXPANDED AND IS NOW LEGISLATION

The Instant Asset Write-off announcements on April 2, 2019 included an increase and expansion of the dollar thresholds and were legislated on April 4, 2019.

There have been numerous changes in the thresholds and eligibility criteria since the asset cost threshold was first increased from \$1,000 to \$20,000 on May 12, 2015 and the table below summarises asset costs that can be claimed as an immediate deduction:

Asset first used or installed ready for use between	Small Business (turnover less than \$10 million)	Medium Business (turnover less than \$50 million)
12 May 2015 – 28 January 2019	Less than \$20,000	n/a
29 January 2019 – 2 April 2019	Less than \$25,000	n/a
3 April 2019 – 30 June 2020	Less than \$30,000	Less than \$30,000

To qualify for the deduction, the asset must be purchased and installed ready for use or in use in your business activities. The asset can be new or second hand. The asset cost excludes GST. For example, an asset purchased on 30 April 2019 that cost \$31,900, including GST, would qualify for the immediate write-off as its cost, excluding GST, is \$29,000 ($\$31,900 / 1.1$) which is below the threshold of \$30,000.

The threshold amount applies to each individual asset purchased so the deduction can be claimed in respect of more than one asset.

If you plan to purchase an asset before 30 June 2019 and have questions regarding whether your purchase will qualify for the immediate write-off, please contact your friendly professional at HHH Partners.

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