



Business Tax Break

The Small Business and General Business Tax Break (business tax break) is a temporary extra tax deduction introduced in December 2008. It applies to plant and equipment you need to purchase to keep your business going and is available for new, tangible, and depreciating assets. It also covers improvements or additions you make to existing assets.

Your eligibility for the business tax break depends on whether you:

- Carry on a business
- Buy the asset by 31 December 2009
- Use or install the asset by 31 December 2010
- Meet the minimum thresholds
- Use the asset principally in Australia and in your business
- Can claim a deduction for the asset's decline in value under section 40-25 of the Income Tax Assessment Act 1997

You must buy the asset by 31 December 2009 and use or install the asset by **31 December 2010**. Small businesses can claim a 50% tax deduction on eligible assets. All other eligible businesses can claim a 30% or 10% bonus deduction.

NOTE: The business tax break is in addition to the deduction for decline in value which your business is entitled to claim for an eligible asset.