



INSTANT ASSET WRITE-OFF

Small Business Support

On 9 May 2023, as part of the 2023-2024 Budget, the Australian Government announced it will improve cash flow and reduce compliance costs for small businesses by temporarily increasing the instant asset write-off threshold from \$1,000 to \$20,000, from 1 July 2023 until 30 June 2024.

This announcement has spent a staggering amount of time in the House of Representatives and the Senate, providing unnecessary confusion for small businesses and tax agents. **However, on 28 June 2024 the bill received Royal Assent and is now law.**

Small businesses, with aggregated turnover of less than \$10 million, can immediately deduct the full cost of eligible assets costing less than \$20,000 that are first used or installed ready for use between 1 July 2023 and 30 June 2024.

Small businesses that have claimed immediate deduction for an asset under the simplified depreciation rules in a prior income year can also immediately deduct an amount included in the second element (cost addition) of that asset's cost, where the amount is:

- the first amount of second element cost incurred after the end of the income year in which the asset was written off
- less than \$20,000
- incurred between 1 July 2023 and 30 June 2024.

The \$20,000 threshold applies on a per asset basis, so small businesses can instantly write off multiple assets.

Assets valued at \$20,000 or more can continue to be placed into the small business simplified depreciation pool and depreciated at 15% in the first income year and 30% each income year after that. In addition, pool balances under \$20,000 at the end of 2023–24 income year can be written off.

The government has also announced it will extend the instant asset write-off by a further 12 months until 30 June 2025. The extension for the 2024-2025 income year is currently before parliament. It is hoped that this bill is passed in a more timely manner!

If you would like further information on the instant asset write-off please [contact our office.](#)

HHH Partners

Taxation
Advisory
Finance

Emerald

39 Anakie Street
PO Box 577
Emerald
QLD 4720
Tel (07) 4983 9999
Fax (07) 4983 9909

Rockhampton

18 East Street
PO Box 740
Rockhampton
QLD 4700
Tel (07) 4930 0600
Fax (07) 4983 9909

hhpartners.com.au

accountants@hhpartners.com.au

