

Instant asset write off extended and increased



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Despite 12 months of campaigning by **Council of Small Business Australia (COSBOA)** and **Australian Chamber of Commerce and Industry** the government has not given Australia in to pressure to make permanent the instant asset write off scheme for small businesses. It has however extended the scheme a further 12 months and increased the individual asset value that can be written off.

The scheme allows businesses with a turnover of less than \$10 million to write-off a purchased asset worth less than \$25,000 (increased from \$20,000) in their tax return for that year.

After months of uncertainty, Scott Morrison announced on January 29th that the write-off will run through to June 30, 2020, instead of 2019.

“Businesses can go out and invest today, whether it’s a vehicle, a piece of plant or equipment, all of it, up to \$25,000, immediate write-down,” Morrison said in [his first economic speech of 2019](#).

Unfortunately, according to ATO data, less than 350,000 businesses claimed something under the program in 2016-17, and that the average amount claimed was only \$11,000.

American Express reported from a survey conducted last year that 47% of SME's haven't even heard about the scheme.

The scheme is particularly valuable to businesses that are capital intensive, and require the purchase of machinery and equipment.

The change needs legislation, which the government intends to pass once parliament returns in February. Morrison has said the legislation will be a “high priority” for the government.

To ensure that all capital purchases (including building and asset acquisitions) are accurately and effectively reported for instant write-off or depreciation, we recommend the engagement of a professional quantity surveyor.

Capital Claims Tax Depreciation are quantity surveyors and tax depreciation experts. To discuss asset reporting and depreciation for your business contact our team for a free consultation on 1300 922 220.