

**JOINT MEDIA RELEASE
WITH
THE HON CRAIG EMERSON
MINISTER FOR SMALL BUSINESS**

**REMINDER TO BUSINESS: TAX BREAK BOOSTS SMALL
BUSINESS AND ECONOMY**

Assistant Treasurer, Senator Nick Sherry, and Small Business Minister, Dr Craig Emerson, today reminded businesses they need to act by 31 December 2009 to benefit from the small business tax break.

The business tax break offers small businesses a 50% tax deduction on eligible assets that cost \$1,000 or more, as long as their annual turnover is less than \$2 million.

The Assistant Treasurer said small business owners who want to take advantage of the 50% small business tax break need to purchase assets, or enter into a contract to buy them, on or before 31 December 2009.

"The tax break is an extra tax deduction businesses can claim at the rate of 50% in their tax return for the year the asset is first used or installed," the Assistant Treasurer said.

For example, if the owners of a small company wanted to spend \$2,000 on a new computer, they may be better off buying it, or entering into a contract to buy it, before the deadline of 31 December. If they start using it or install it before the end of next year, they may be eligible for the 50% tax deduction.

"Conditions apply, so businesses should talk to their tax agent or visit the Tax Office website to check how it will benefit them," the Assistant Treasurer said.

Minister Emerson said the Rudd Government announced the tax break in December 2008 to assist small businesses to deal with the impacts of the global financial crisis.

The Government extended the tax break in the May Budget to allow small businesses to claim a 50% tax deduction on eligible assets bought by 31 December 2009.

This month's MYOB small business survey revealed that 71 per cent of small businesses have utilised the tax break or may do so in the future.

"Small businesses are utilising the tax break with gusto, but they need to take advantage of it before it expires at the end of December," Dr Emerson said.

Eligible assets include new, tangible, depreciating assets such as business vehicles, computers, furniture, tools and equipment.

Businesses can also combine the cost of certain items designed and intended to be used together to take them over the \$1,000 threshold.

More information

A new information kit about the small business tax break is now available on the Tax Office website at www.ato.gov.au and enquiries can also be directed to the info line on 1300 337 921.

CANBERRA
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