



Tax and Business Relief in Response to COVID-19

Instant Asset Write-Off (IAWO)

Enhancements to the Instant Asset Write-Off Threshold

The instant asset write-off threshold for depreciating assets will be increased from **\$30,000** (for businesses with an aggregated turnover of less than \$50 million) to **\$150,000** (for businesses with an aggregated annual turnover of less than \$500 million) until 30 June 2020.

When this measure applies:

The measure applies to both **new and second-hand assets** first used or installed ready for use in the period beginning on **12 March 2020** (i.e., the date on which this measure was announced) and ending on **30 June 2020**.

Timing of Assistance

This measure will be claimable on the completion of your 2020 tax obligations.

The instant asset write-off will revert to \$1,000 for small businesses (turnover less than \$10 million) from 1 July 2020.

Business Accelerated Rate of Depreciation

There will be an immediate deduction of 50% for eligible expenditure that does not fall within the above instant-asset write off.

When this measure applies:

- The item exceeds the \$150,000 threshold
- The item is not first used or installed ready for use by 30 June 2020 for businesses with aggregated annual turnover of less than \$500m

Eligible assets are new depreciable assets acquired after 12 March 2020 and first used or installed by 30 June 2021.

This incentive does not apply to second-hand Division 40 assets, or buildings and other capital works depreciable under Division 43.