

Unveiling its third stimulus package in response to the global financial crisis, the Government said it would allow a 30 cent in the dollar investment tax break for small and general businesses buying eligible assets.

If agreed by parliament, small businesses will be able to access the tax break for assets costing \$1,000 or more. For all other businesses, the asset threshold is \$10,000.

The tax break provides an **additional tax deduction** for assets acquired from 13 December 2008 to 30 June 2009, where the asset is also installed before 30 June 2010. The deduction will be equal to 30 per cent of the asset's cost.

For assets acquired between 1 July 2009 and 31 December 2009 and where they are installed ready for use before 31 December 2010, the deduction is 10 per cent of the asset's cost.

To benefit from this tax break a small business must have a turnover of \$2 million a year or less.

The Government said the tax break would mean, for example, that a business that bought and took possession of a \$60,000 backhoe by 30 June 2009 could claim an additional \$18,000 deduction for 2008-09.

