

Extra Tax Deduction – Investment Allowance

The federal government has recently made announcements regarding extra tax deductions available for businesses for assets ordered prior to 30 June 2009 and installed by 30 June 2010.

Small businesses (those with a turnover less than \$2mil) are entitled to claim an extra deduction of 30% of the cost of the asset for assets over \$1,000. For those not eligible to be a small business the asset must cost at least \$10,000 to be able to claim the extra deduction.

The extra tax deduction is a bonus for those who need to buy a qualifying asset. However, if your business is under pressure as a result of the impending recession then it may be better to protect your cash flow. If profits are going to be low is it worthwhile to purchase an asset you don't really need? There may be more tax effective deductions available. If you are unsure please call or email our office for more information.

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