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MEDIA RELEASE

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EXTENDING THE INSTANT ASSET WRITE-OFF

The Morrison Government continues to back small business with the announcement that it will extend the \$150,000 instant asset write-off for six months to 31 December 2020.

Australian businesses with annual turnover of less than \$500 million will be able to take advantage of this extended timeframe to invest in assets to support their business as the economy reopens and Coronavirus health restrictions continue to be eased.

These measures will support over 3.5 million businesses. They are designed to support business sticking with investment they had planned, and encouraging them to bring investment forward to support economic growth over the near term.

The instant asset write-off also helps to improve cash flow for businesses by bringing forward tax deductions for eligible expenditure. The threshold applies on a per asset basis, so eligible businesses can immediately write-off multiple assets provided each costs less than \$150,000.

The extension will also give businesses additional time to acquire and install assets, as they will now have until the end of the year. Assets can be new or second hand and could include for example a truck for a delivery business or a tractor for a farming business.

Legislative changes will be made to give effect to this measure, which is estimated to have a cost to revenue of \$300 million over the forward estimates period.

Hardworking Australian businesses can rest assured that the Morrison Government will do all that is necessary to support them to bounce back stronger and get to the other side of this crisis.

Ends.