



Keep Your Business Moving –Take Advantage of New Government Initiatives

Tutt Bryant Finance has created this fact sheet which contains the information you need to take advantage of the Government's **time limited initiatives**.

\$150,000 Instant Asset Write Off

Eligible assets will be able to be written off for this financial year **meaning that you will pay less in tax**.

Any new or used equipment with a purchase price of up to \$150,000 (excluding GST) purchased and installed between 12 March and 30 June 2020 will be eligible.

There is no limit to the number of assets purchased that can be written off under this program.

You can purchase multiple assets which total more than \$150,000 so long as each individual asset is less than \$150,000.

Be aware that the write off is **up to** \$150,000 or \$149,999.99.

Businesses with an aggregated annual turnover of less than \$500 million will be eligible until 30 June 2020.

This is a short term opportunity offered by the Government.

From 1 July 2020, this offer will no longer be available and the instant asset write off will return to the normal amount of only \$1,000 for businesses with a turnover of less than \$10 million.

Here is an example of the Instant Asset Write Off for an asset under \$150,000:

Company Name	ABC Contracting Pty Limited
Company Tax Rate	27.50%
Date of Purchase	1-May-20
Useful Life	9 years
Number of Units	1 unit
Purchase Price (ex. GST)	\$100,000
Total Purchase Price (ex. GST)	\$100,000
Purchase Price (Inc. GST)	\$110,000
Normal Depreciation	\$3,714
Depreciation if purchased before 30 June 2020	\$100,000
Income Tax Saving	\$26,479

Here is an example of the Instant Asset Write Off for multiple assets all under \$150,000 each:

Company Name	ABC Contracting Pty Limited
Company Tax Rate	27.50%
Date of Purchase	1-May-20
Useful Life	9 years
Number of Units	5 units
Purchase Price (ex. GST)	\$140,000
Total Purchase Price (ex. GST)	\$700,000
Purchase Price (Inc. GST)	\$770,000
Normal Depreciation	\$25,997
Depreciation if purchased before 30 June 2020	\$700,000
Income Tax Saving	\$185,351

New Equipment Eligible for the 50% Instant Depreciation

Assets purchased and installed between 12 March 2020 and 30 June 2021 will be eligible for a 50% instant depreciation.

Businesses with an aggregated annual turnover of **less than \$500 million** will be eligible until 30 June 2021.

This incentive is available on new assets and for 15 months only.

Here is an example of the 50% depreciation:

Company Name	ABC Contracting Pty Limited
Company Tax Rate	27.50%
Date of Purchase	1-May-20
Useful Life	9 years
Number of Units	1 unit
Purchase Price (ex. GST)	\$800,000
Total Purchase Price (ex. GST)	\$800,000
Purchase Price (Inc. GST)	\$880,000
Normal Depreciation	\$29,711
Depreciation if purchased before 30 June 2021	\$400,000
Income Tax Saving	\$101,830

For more detailed information visit: <https://treasury.gov.au/coronavirus>

Now is the time to take advantage of the Government's **\$150,000 Instant Asset Write Off and 50% Instant Depreciation initiatives**.

Call us on 1300 658 888 for your next Tutt Bryant equipment purchase.

Disclaimer: This is not financial advice. Calculations presented are indicative in nature and used to communicate the basic mechanics of the Government's Economic Stimulus Package. Please speak with your accountant and tax agent for specific advice regarding these programs.