



# The instant asset write-off is now law

Find out if your business is eligible for the \$20,000 instant asset write-off.

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Have you purchased or upgraded a business asset?

If your business has an aggregated annual turnover of less than \$10 million, you may be able to deduct the full cost of eligible assets which cost less than \$20,000, under the instant asset write-off (IAWO).

Eligible assets must have been first used or installed ready for use, between 1 July 2023 and 30 June 2024. The \$20,000 threshold will apply on a per asset basis, so you can instantly write off multiple assets.

Eligible small businesses will also be able to write off the first cost of improvements incurred between 1 July 2023 and 30 June 2024 under \$20,000, to qualifying assets that were written off in a previous tax year.

The IAWO can be used for both new and second-hand assets; some exclusions and limits apply. The IAWO is one of the many forms of **depreciation** methods available to small businesses.

The usual rules for claiming deductions still apply. You can only claim the business portion of the expense, and you must have records to prove it.

Assets costing \$20,000 or more can continue to be placed into the general **small business pool** and depreciated at 15% in the first income year and 30% each following income year.

In addition to the IAWO, you may be eligible to claim a bonus deduction under the **small business energy incentive**, for the same assets in the

2023-24 income year. You may also be eligible to claim a bonus deduction for expenditure you have incurred for providing training to one or more of your employees under the **small business skills and training boost**.

Remember, it's important to keep good records to help you or your tax professional work out your claim and be able to show us if required. For more information, see **Record keeping for business**.

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If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

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