

## 2021-22 Business Incentive Summary – Plant & Equipment

### Large business entities

|  | Pre COVID-19 stimulus                      | COVID-19 stimulus  | 2020-21 Budgets  |
|--|--|--|--|
| Instant asset write-off / temporary full expensing |  |  |  |
|  | 7.30pm (AEDT) 2 April 2019 – 11 March 2020 | 12 March 2020 – 7.30pm (AEDT) 6 October 2020   | 7.30pm (AEDT) 6 October 2020 – 30 June 2023  |
| Aggregated turnover                                | Over \$50 million                          | \$50 million - \$500 million   | Under \$5 billion  |
| Threshold  | -  | Up to \$150,000  | No threshold – temporary full expensing*   |
| Qualifier  | -  | New and second-hand assets. Purchased on or before 31 December 2020 and installed on or before 30 June 2021. | New assets first use or installed by 30 June 2023.<br><br>Aggregated turnover between \$50 million and \$500 million: Can write-off second-hand assets up to \$150,000, purchased on or before 31 December 2020 and installed on or before 30 June 2021, under enhanced instant asset write-off. |
| Backing Business Investment (BBI)                  |  |  |  |
|  | N/A  | 12 March 2020 – 7.30pm (AEDT) 6 October 2020   |  |
| Asset cost   | -  | \$150,000 and over   | -  |
| First year rate                                    | -  | 50% asset cost + (remaining 50% x effective life rate)   | -  |
| Qualifier  | -  | New Div. 40 assets only  | -  |

\*Full expensing – eligible businesses can choose to deduct the full cost of eligible assets, no value thresholds apply.

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<https://www.ato.gov.au/general/new-legislation/the-australian-government-s-economic-response-to-coronavirus/>

Maximising business cash flow with depreciation

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