

BUSINESS TAXPAYERS

Small business motor vehicle tax write-off to replace Entrepreneur's Tax Offset

The Government will provide Australian small businesses with an instant tax write-off of the first \$5,000 of any nsw motor vehicle purchased from 2012-13. The Treasurer said that, for example, a tradesman on a 30% marginal tax rate, buying a new \$33,960 ute would receive an extra tax benefit of \$1,275 in the year they purchased the vehicle. The remainder of the purchase value can be depreciated as normal.

The Treasurer said this new write-off was in addition to the Government's proposed tax reforms for small businesses to be introduced in 2012-13 that would allow an immediate write-off of all assets valued at under \$5,000 (up from \$1,000 presently).