





# **Treasury Laws Amendment (Increasing and Extending the Instant Asset Write-Off) Act 2019**

**No. 51, 2019**

**An Act to amend the law relating to taxation, and  
for related purposes**

Note: An electronic version of this Act is available on the Federal Register of Legislation  
(<https://www.legislation.gov.au/>)



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# Treasury Laws Amendment (Increasing and Extending the Instant Asset Write-Off) Act 2019

No. 51, 2019

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## An Act to amend the law relating to taxation, and for related purposes

[Assented to 6 April 2019]

The Parliament of Australia enacts:

### 1 Short title

This Act is the *Treasury Laws Amendment (Increasing and Extending the Instant Asset Write-Off) Act 2019*.

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No. 51, 2019      *Treasury Laws Amendment (Increasing and Extending the Instant Asset Write-Off) Act 2019*      1

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## 2 Commencement

- (1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

<b>Commencement information</b>		
<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions</b>	<b>Commencement</b>	<b>Date/Details</b>
1. The whole of this Act	The first 1 January, 1 April, 1 July or 1 October to occur after the day this Act receives the Royal Assent.	1 July 2019

Note: This table relates only to the provisions of this Act as originally enacted. It will not be amended to deal with any later amendments of this Act.

- (2) Any information in column 3 of the table is not part of this Act. Information may be inserted in this column, or information in it may be edited, in any published version of this Act.

## 3 Schedules

Legislation that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

## **Schedule 1—Increasing the instant asset write-off for small business entities**

### ***Income Tax Assessment Act 1997***

#### **1 Paragraph 328-180(1)(b) (note)**

Repeal the note, substitute:

Note: This threshold may be \$20,000, \$25,000 or \$30,000 for assets you first acquire between 12 May 2015 and 30 June 2020: see subsection 328-180(4) of the *Income Tax (Transitional Provisions) Act 1997*.

#### **2 Paragraph 328-180(2)(a) (note)**

Repeal the note, substitute:

Note: This threshold is \$20,000, \$25,000 or \$30,000 for costs included between 12 May 2015 and 30 June 2020: see subsection 328-180(5) of the *Income Tax (Transitional Provisions) Act 1997*.

#### **3 Paragraph 328-180(3)(a) (note)**

Repeal the note, substitute:

Note: This threshold is \$20,000, \$25,000 or \$30,000 for costs included between 12 May 2015 and 30 June 2020: see subsection 328-180(5) of the *Income Tax (Transitional Provisions) Act 1997*.

#### **4 Subsection 328-210(1) (note 2)**

Repeal the note, substitute:

Note 2: This threshold is \$20,000, \$25,000 or \$30,000 for income years ending on or after 12 May 2015 and on or before 30 June 2020: see subsection 328-180(6) of the *Income Tax (Transitional Provisions) Act 1997*.

#### **5 Subsection 328-250(1) (note)**

Repeal the note, substitute:

Note: Instead of \$1,000, the threshold in subsection 328-180(1) may be \$20,000, \$25,000 or \$30,000 for assets first acquired between 12 May 2015 and 30 June 2020: see subsection 328-180(4) of the *Income Tax (Transitional Provisions) Act 1997*.

**6 Subsection 328-250(4) (note)**

Repeal the note, substitute:

Note: Instead of \$1,000, the threshold in subsection 328-180(1) may be \$20,000, \$25,000 or \$30,000 for assets first acquired between 12 May 2015 and 30 June 2020: see subsection 328-180(4) of the *Income Tax (Transitional Provisions) Act 1997*.

**7 Subsection 328-253(4) (note)**

Repeal the note, substitute:

Note: Instead of \$1,000, the threshold in subsection 328-180(1) may be \$20,000, \$25,000 or \$30,000 for assets first acquired between 12 May 2015 and 30 June 2020: see subsection 328-180(4) of the *Income Tax (Transitional Provisions) Act 1997*.

***Income Tax (Transitional Provisions) Act 1997***

**8 Section 328-180 (heading)**

Omit “30 June 2019”, substitute “30 June 2020”.

**9 Subsection 328-180(1)**

Insert:

*2019 application time* means the start of 29 January 2019.

*2019 budget time* means 7.30 pm, by legal time in the Australian Capital Territory, on 2 April 2019.

**10 Subsection 328-180(1) (paragraph (b) of the definition of *increased access year*)**

Omit “30 June 2019”, substitute “30 June 2020”.

**11 Subsections 328-180(4) to (6)**

Repeal the subsections, substitute:

*Assets costing less than \$20,000 or \$25,000*

(4) Paragraph 328-180(1)(b) of the *Income Tax Assessment Act 1997* applies to a depreciating asset as if a reference in that paragraph to \$1,000:

- (a) were a reference to \$20,000, if you first acquired the asset at or after the 2015 budget time, and you:
    - (i) first used the asset, for a taxable purpose, at or after the 2015 budget time and before the 2019 application time; or
    - (ii) first installed the asset ready for use, for a taxable purpose, at or after the 2015 budget time and before the 2019 application time; or
  - (b) were a reference to \$25,000, if you first acquired the asset at or after the 2015 budget time, and you:
    - (i) first used the asset, for a taxable purpose, at or after the 2019 application time and before the 2019 budget time; or
    - (ii) first installed the asset ready for use, for a taxable purpose, at or after the 2019 application time and before the 2019 budget time; or
  - (c) were a reference to \$30,000, if you first acquired the asset at or after the 2015 budget time, and you:
    - (i) first used the asset, for a taxable purpose, at or after the 2019 budget time and on or before 30 June 2020; or
    - (ii) first installed the asset ready for use, for a taxable purpose, at or after the 2019 budget time and on or before 30 June 2020.
- (5) Paragraph 328-180(2)(a) or (3)(a) of the *Income Tax Assessment Act 1997* applies to an amount included in the second element of the cost of an asset as if a reference in that paragraph to \$1,000:
- (a) were a reference to \$20,000, if the amount is so included at any time:
    - (i) at or after the 2015 budget time; and
    - (ii) before the 2019 application time; or
  - (b) were a reference to \$25,000, if the amount is so included at any time:
    - (i) at or after the 2019 application time; and
    - (ii) before the 2019 budget time; or
  - (c) were a reference to \$30,000, if the amount is so included at any time:
    - (i) at or after the 2019 budget time; and
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- (ii) on or before 30 June 2020.

*Low value pool*

- (6) Section 328-210 of the *Income Tax Assessment Act 1997* applies as if a reference in that section to \$1,000:
  - (a) were a reference to \$20,000, in relation to a deduction for an income year that ends:
    - (i) on or after 12 May 2015; and
    - (ii) before the 2019 application time; or
  - (b) were a reference to \$25,000, in relation to a deduction for an income year that ends:
    - (i) at or after the 2019 application time; and
    - (ii) before the 2019 budget time; or
  - (c) were a reference to \$30,000, in relation to a deduction for an income year that ends:
    - (i) at or after the 2019 budget time; and
    - (ii) on or before 30 June 2020.

## **Schedule 2—Extending the instant asset write-off to medium sized businesses**

### *Income Tax Assessment Act 1997*

#### **1 Subsection 40-65(1) (note 3)**

Omit “section 40-80”, substitute “sections 40-80 and 40-82”.

#### **2 After section 40-80**

Insert:

#### **40-82 Assets costing less than \$30,000—medium sized businesses— income years ending between 2 April 2019 and 30 June 2020**

*Year in which asset first used, or installed ready for use, for a taxable purpose*

- (1) The decline in value of a \*depreciating asset you \*hold for the income year (the **current year**) in which you start to use the asset, or have it \*installed ready for use, for a \*taxable purpose is the amount worked out under subsection (2) if:
- (a) you are an entity covered by subsection (4) (about medium sized businesses) for the current year and for the income year in which you started to hold the asset; and
  - (b) you first acquired the asset in the period beginning at 7.30 pm, by legal time in the Australian Capital Territory, on 2 April 2019 and ending on 30 June 2020; and
  - (c) the current year ends:
    - (i) on or after 2 April 2019; and
    - (ii) on or before 30 June 2020; and
  - (d) the asset is a depreciating asset whose \*cost as at the end of the current year is less than \$30,000.

Note: The amount you can deduct may be reduced by other provisions, such as subsection 40-25(2) (about taxable purpose) and section 40-215 (about double deductions).

- (2) The amount is:
- (a) unless paragraph (b) applies—the asset’s \*cost as at the end of the current year; or
  - (b) if the asset’s \*start time occurred in an earlier income year—the sum of the asset’s \*opening adjustable value for the current year and any amount included in the second element of its cost for the current year.

*Later year*

- (3) The decline in value of a \*depreciating asset you \*hold for an income year (the **later year**) is the first amount included in the second element of the asset’s \*cost for the later year if:
- (a) you are an entity covered by subsection (4) (about medium sized businesses) for the later year; and
  - (b) the amount so included is less than \$30,000; and
  - (c) you worked out the decline in value of the asset for an earlier income year under subsection (1); and
  - (d) the later year ends:
    - (i) on or after 2 April 2019; and
    - (ii) on or before 30 June 2020.

Note: The amount you can deduct may be reduced by other provisions, such as subsection 40-25(2) (about taxable purpose) and section 40-215 (about double deductions).

*Medium sized business*

- (4) An entity is covered by this subsection for an income year if:
- (a) the entity is not a \*small business entity for the income year; and
  - (b) the entity would be a small business entity for the income year if:
    - (i) each reference in Subdivision 328-C (about what is a small business entity) to \$10 million were instead a reference to \$50 million; and
    - (ii) the reference in paragraph 328-110(5)(b) to a small business entity were instead a reference to an entity covered by this subsection.

*Years ending after 30 June 2020*

- (5) For an income year ending after 30 June 2020, the asset's decline in value is worked out under the other provisions of this Division.

**3 After subsection 40-425(7)**

Insert:

*Exception: medium sized businesses*

- (7A) You cannot allocate a \*depreciating asset to a low-value pool if the decline in value of the asset for any income year is determined by section 40-82 (about assets costing less than \$30,000).

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[*Minister's second reading speech made in—  
House of Representatives on 13 February 2019  
Senate on 3 April 2019*]

(20/19)

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