



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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No. 51, 2019

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*.

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

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.

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
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Note: This table relates only to the provisions of this Act as originally enacted.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Legislation that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.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).

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

(20/19)
