

2017 Budget Snapshot – Small Business

Assets Less than \$20,000 Rule

Under current law, the \$20,000 immediate write-off ends on 30 June 2017. However, the Government has proposed to extend the concession by 12 months to 30 June 2018 for businesses with an aggregated turnover less than \$10 million.

This means small businesses will be able to immediately deduct purchases of eligible assets costing less than \$20,000 first used or installed ready for use by 30 June 2018.

The current rules applying to the Assets Less Than \$20,000 Rule remains.

Company Tax Rate for 2017-18 Year

1 For companies with an Aggregated Turnover of Less Than \$10 Million – No change from the 2016/17 year - 27.50%

2 For companies with an Aggregated Turnover of Higher than \$10 Million, but Less Than \$25 Million – The Rate reduces from 30% to 27.50%

Unincorporated Entities for 2017/18 Year (Sole Traders, Partnerships and Family Trusts)

For Businesses with an aggregated turnover of less than \$5 million, the small business tax discount will be 8% for the 2017/18 year, which is at the same rate as this year (2016/17). The maximum tax discount is capped at \$1,000 (same for the 2016/17 year).

(Source: NTAA 2017/18 Federal Budget & Thomson Reuters WTB 2017 Budget Report)