

# Investment Allowance FAQs

Experien is a subsidiary of Investec Bank

## When can I claim the Tax Break?

Eligible assets acquired between 13 December 2008 and 31 December 2009 are eligible for the Tax Break.

If you acquire or start to hold an eligible asset between 13 December 2008 to the end of June 2009 and miss the end of June 2010 installation deadline you will miss out on the 30 per cent bonus deduction. However, provided the asset is installed by the end of December 2010 you will still qualify for the 10 per cent bonus deduction. To be eligible for the 30 per cent tax deduction, tax claims are to be made in the 2008 / 2009 tax year.

Acquisition Period	13 December 2008 - 30 June 2009	1 July 2009 - 31 December 2009
Rate of Deduction	30%	10%
Installation Deadline	30 June 2010	31 December 2010

## Are there any minimum spend requirements in order to qualify for the Tax Break?

Small business entities only need to spend a minimum of \$1,000 (excluding GST) per asset in order to qualify for the Tax Break. All other businesses will need to meet a minimum expenditure threshold of \$10,000 (excluding GST) per asset.

Business Turnover	Minimum Expenditure (per asset)
Small business (\$2m or less)	\$1,000 (excluding GST)
Other business (over \$2m)	\$10,000 (excluding GST)

## What items qualify for the Tax Break?

New tangible depreciating assets or new expenditure incurred to improve existing depreciating assets qualify for the Tax Break. Examples include: medical equipment and cars.

## What types of finance options are available to me under the Tax Break?

All forms of finance are available however chattel or asset purchase should enable you to claim the Tax Break directly.

## Is it OK to order multiple assets from a supplier and claim the Tax Break?

As long as the criteria is met (see minimum expenditure thresholds above for small business entities and other businesses).

Example: If there is an invoice for 10 computers worth \$3,000 each i.e. the total invoice is \$30,000, whilst this amount is clearly greater than \$10,000, the test is applied individually to each computer (i.e. because each computer is less than \$10,000, the taxpayer would not be eligible for the Tax Break for each item).

## If I need to do a fitout component in order to install some new equipment, does that fitout qualify for the Tax Break?

It will depend on how it is ultimately financed. On lease, the assets belong to Investec Experien so it is unclear at this stage as to how the Tax Break will be passed on. However, these items should qualify as long as they meet the above criteria.



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