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MACBITES

CAPITAL PURCHASE INCENTIVE INVESTMENT ALLOWANCE

As an incentive to boost business investment, the Federal Government has introduced a temporary tax deduction equal to 30% of the cost of acquiring or constructing a new asset.

To qualify:

- Eligible assets are referred to as new tangible depreciating assets, which includes most items of plant and equipment.
- The asset must cost over \$1,000 (or \$10,000 if business turnover exceeds \$2 million).
- The asset must be used in carrying on a business.
- The asset must be purchased between 13 December 2008 and 30 June 2009, or if the asset is to be constructed, the contract for construction must be entered into between these dates. The asset must be installed ready for use prior to 30 June 2010.
- The asset must be new (acquisition of second hand assets are excluded).
- New expenditure on an existing asset also qualifies.
- The asset must be used in Australia.
- Expenditure incurred between 1 July, 2009 and 31 December 2009 attracts a 10% investment allowance

Directors

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Taxation Planning

Business Advice

Self Managed

Superannuation

Retirement Strategies

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Assistance

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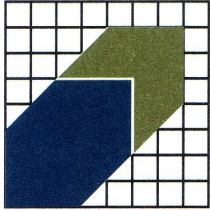
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The investment allowance is available on the purchase of a new car, which is in contrast to similar incentives that previous governments have periodically introduced.

The purchase of land and buildings is excluded.

Should you require assistance or additional information, please contact our office.

9 February, 2009

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