



**THE HON JOSH FRYDENBERG MP**  
Treasurer

## **MEDIA RELEASE**

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### **MORE BUSINESSES TO QUALIFY FOR FULL EXPENSING**

The Morrison Government will expand eligibility for the legislated temporary full expensing measure, to drive more investment, create more jobs and further support our economic recovery from COVID-19.

The temporary full expensing measure is a central element of the Government's JobMaker Plan announced in the 2020-21 Budget. Full expensing temporarily allows businesses with aggregated turnover of less than \$5 billion to deduct the full cost of eligible depreciable assets of any value in the year they are first used or installed.

The Government will introduce legislation to expand access to the full expensing incentive to enable more large Australian-based businesses with a track record of investing in Australia to be eligible for the measure.

The legislation introduces a new alternative test for temporary full expensing. To satisfy the new test, companies must have:

- less than \$5 billion in total statutory and ordinary income (excluding non-assessable non-exempt income) in either the 2018-19 or 2019-20 income year; and
- invested more than \$100 million in tangible depreciating assets in the period 2016-17 to 2018-19.

This change will mean businesses with an aggregated turnover of more than \$5 billion due to the income of an overseas parent or associate will now be able to qualify provided they meet the additional investment requirements.

The Government will also allow businesses to opt out of temporary full expensing and the backing business investment incentive on an asset-by-asset basis. This change will provide businesses with more flexibility in respect of these measures, removing a potential disincentive for them to take advantage of these incentives.

**Ends**