



### **Claiming The Small Business Technology Investment Boost**

**Could your small business claim a 20% bonus deduction on technology expenditure that supports their digital operations or the digitisation of their operations?**

The small business technology investment boost is a broad measure and is intended to cover a wide range of business expenses and assets; however, questions may arise when you go to claim.

#### **Can I Claim The Boost?**

To access the small business technology investment boost, your business needs to meet the standard aggregated annual turnover rules (with an increased \$50 million threshold).

The expenditure must:

- already be deductible for your business under taxation law
- be incurred between 7:30 pm AEDT 29 March 2022 and 30 June 2023.

If the expenditure is on a depreciating asset, the asset must be first used or installed ready for use for a taxable purpose by 30 June 2023.

#### **What Can I Claim With The Boost?**

A good indicator of eligibility is to consider if the small business would have incurred the expense if they didn't operate digitally. That is if they hadn't sought to adopt digital technologies in the running of their business. Using this rule of thumb, the costs below are eligible:

- advice about digitising a business
- leasing digital equipment
- repairs and improvements to eligible assets that aren't capital works.

**Eligible expenditure may include, but is not limited to, business expenditure on:**

- **digital enabling items** – computer and telecommunications hardware and equipment, software, internet costs, systems and services that form and facilitate the use of computer networks
- **digital media and marketing** – audio and visual content that can be created, accessed, stored or viewed on digital devices, including web page design
- **e-commerce** – goods or services supporting digitally ordered or platform-enabled online transactions, portable payment devices, digital inventory management, subscriptions to cloud-based services and advice on digital operations or digitising operations, such as advice about digital tools to support business continuity and growth
- **cyber security** – cyber security systems, backup management and monitoring services.

**Whether some expenditure is eligible for the boost will depend on its purpose and its link to digitising the operations of the specific small business. For example, the cost of a multifunction printer would not be eligible if it were intended only to make copies of paper documents. However, it would be claimable if being used to convert paper documents for digital use and storage.**

**New and ongoing subscription costs can also qualify as eligible expenditures if related to your client’s digital operations. For example, your ongoing subscription to an accounting software platform for your business would qualify. Likewise, a new subscription for digital content that is used in developing web content to advertise their business would be eligible.**

**In these cases, you should keep explanations of how the expenses relate to digitising their business, as well as accurate records of all their claims.**

**Where the expense is partly for private purposes, the bonus deduction can only be applied to the business-related portion.**

**Special rules apply if claiming the bonus deduction for eligible expenditure on a depreciating asset.**

**To avoid confusion or complications around the application of the small business technology investment boost, it may be best to speak to your trusted tax agent. We’re here to help.**

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