



2020-21 BUDGET STIMULUS WHAT IT MEANS FOR ISUZU TRUCK BUYERS

BUDGET STIMULUS OVERVIEW

Economic stimulus is top priority as we enter the recovery phase of the COVID-19 pandemic. Building on existing government initiatives to support business—including instant asset write-off and accelerated depreciation—the Federal 2020-21 Budget detailed several new measures aimed at helping recovering businesses.

- Temporary full expensing depreciation deduction (uncapped instant asset write-off)
- Temporary loss carry back
- JobMaker Hiring Credit

TEMPORARY FULL EXPENSING DEPRECIATION DEDUCTION

The instant asset write-off threshold of \$150,000 has been temporarily expanded—with no limit set on the value of eligible assets. Businesses with turnover up to \$5 billion will be able to deduct the full cost of eligible depreciable assets of any value, provided they are purchased and first installed between 6 October 2020 and 30 June 2022.

The cost of improvements made during this period, to existing eligible depreciable assets, can also be fully deducted.

TEMPORARY LOSS CARRY-BACK

The temporary loss carry-back measure is an important tax relief tool, allowing businesses with turnover up to \$5 billion to offset operating losses against previous profits on which tax has already been paid. This will apply to losses incurred during the 2019-20, 2020-21 and/or 2021-22 tax years.

Eligible companies can elect to receive a tax refund when they lodge 2020-21 and 2021-22 tax returns.

This measure is aimed at companies operating at a loss due to the COVID-19 pandemic and can assist in boosting cash flow, retaining workers and encourage businesses to take advantage of full expensing while it is available.

JOBMAKER HIRING CREDIT

The JobMaker Hiring Credit is a tiered incentive available to eligible businesses that take on additional young workers between 7 October 2020 and 6 October 2021. The JobMaker Hiring Credit is designed to support employment, and businesses do not need to prove a drop in turnover to meet eligibility criteria.

NEW HIRE AGE	\$ CREDIT FOR EMPLOYERS
16 to 29 years	\$200 per week
30 to 35 years	\$100 per week

To be eligible, the employee must have received the JobSeeker Payment, Youth Allowance (Other), or Parenting Payment for at least one of the previous three months at the time of hiring.

SUPPORTING INFORMATION

For further information on the budget stimulus measures listed here, visit the Budget 2020-21 website: <https://budget.gov.au/>

- **Lower Taxes Factsheet:** https://budget.gov.au/2020-21/content/factsheets/download/tax_fact-sheet.pdf
- **JobMaker Hiring Credit Factsheet:** https://budget.gov.au/2020-21/content/factsheets/download/jobmaker_hiring_credit_factsheet.pdf

EXAMPLE BUDGET STIMULUS PACKAGE SUPPORT

ISUZU READY-TO-WORK NLR 45-150 TRAYPACK SWB AMT



UNCAPPED INSTANT ASSET WRITE-OFF

Purchase Price	Write-Off	Nominal Company Tax Rate	Net Tax Debt Reduction
\$46,690 Drive Away	\$46,690	27.5% (Small Business)	\$12,839

TEMPORARY FULL EXPENSING DEPRECIATION DEDUCTION (6 October 2020)

Year & Savings	Purchase Price	Standard Depreciation (15% Small Business)*	Total Depreciation	Nominal Company Tax Rate	Net Tax Debt Deduction
Year 1 without Stimulus	\$46,690	\$7,003	\$7,003	27.5% (Small Business)	\$1,904
Year 1 with Stimulus	\$46,690	N/A	\$46,690	27.5% (Small Business)	\$12,839.75
Year 1 Net Tax Saving					\$10,937.75

*Isuzu Australia Limited is not a financial adviser. You should consider seeking independent financial, taxation or other advice to determine eligibility. Assets that are eligible include new trucks that can be depreciated under Division 40 of the Income Tax Assessment Act 1997. Normal depreciation schedules apply after year one. The information contained in this table is general in nature and does not take into account your personal situation.

STIMULUS TIMELINE

The temporary full expensing depreciation deduction (uncapped instant asset write-off) is a time-limited incentive, applicable to the cost of assets purchased and first installed between **6 October 2020 and 30 June 2022 (inclusive)**.*

FOR MORE INFORMATION

Contact your local Isuzu Trucks dealer to find out more or visit:

www.isuzu.com.au

www.budget.gov.au

