

BOOSTING SMALL BUSINESS GROWTH: THE NEW 20% BONUS FOR TECHNOLOGY INVESTMENTS AND SKILLS & TRAINING

Glenn Waldock | Director

In a bid to drive innovation, enhance productivity, create jobs and support the growth of small businesses, the Australian government has unveiled two new initiatives:

1. Small Business Technology Investment Boost, and the
2. Small Business Skills and Training Boost

The benefits of these measures are said to include:

- Enhanced Productivity
- Competitive Advantage
- Innovation and Growth
- Job Creation
- Tax Savings
- Economic Impact

The 20% Small Business Technology Investment Boost:

The SBTI Boost is a targeted incentive program that encourages small businesses with an aggregated turnover less than \$50 million to embrace technology by offering them a 20% bonus tax deduction on eligible technology investments and eligible depreciating assets related to technology.

What you Can Claim

Eligible expenses may include but are not limited to:

- 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.



Where the expense is partly for private purposes, the bonus deduction can only be applied to the business-related portion. You can receive a maximum bonus deduction of \$20,000 per year, hence a maximum of \$40,000 in total.

Eligibility Criteria

To access the boost, your business needs to be a small business entity with an aggregated annual turnover of less than \$50 million for the income year in which you incur the expenditure.

The expenditure, capped at \$100,000 per year, 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.

The 20% Small Business Skills and Training Boost:

The SBST Boost is a targeted program to encourage small business with an aggregated turnover of less than \$50 million to invest in the training of new and existing employees by offering them a 20% bonus tax deduction on eligible training courses.

What you Can Claim

- The bonus deduction is available for expenditure for the provision of training to one or more employees of your business. The training provider must meet certain registration criteria for the bonus deduction. You can check for registered providers at training.gov.au
- Training expenses can include incidental costs related to the provision of training, provided they are charged by the registered training provider, such as the cost of books or equipment needed for the course
- Where deductions are to be claimed over time such as for capital deductions, the bonus deduction is calculated as 20% of the full amount of the eligible expenditure. It can be claimed upfront in the first income year in which the bonus deduction is available.

Eligibility Criteria

To access the boost, your business needs to be a small business entity with an aggregated annual turnover of less than \$50 million for the income year in which you incur the expenditure.

The expenditure must be:

- for the provision of training to employees of your business, either in-person in Australia, or online
- charged, directly or indirectly, by a registered external training provider that is not you or an associate of yours
- already deductible for your business under taxation law
- incurred between 7:30 pm AEDT 29 March 2022 and 30 June 2024.

Where the training is a component of a larger program or course of training, the enrolment or arrangement relating to the relevant expenditure must be made or entered into at or after 7:30 pm on 29 March 2022.

Please speak to your [Byfields accountant](#) if you have any queries.