

DEPRECIATION AND CAPITAL ALLOWANCES

INSTANT ASSET WRITE OFF (IAWO)

By TDQS Pty Ltd



Instant Asset Write-Off (IAWO)

Eligible businesses can claim an immediate deduction for the business portion of the cost of an asset in the year the asset is first used or installed ready for use.

Instant asset write-off can be used for:

- multiple assets, if the cost of each individual asset is less than the relevant threshold
- new and second-hand assets.

If you are a small business, you will need to apply the simplified depreciation rules in order to claim the instant asset write-off. It cannot be used for assets that are excluded from those rules.

The instant asset write-off eligibility criteria and threshold have changed over time. You need to check your business's eligibility and apply the correct threshold amount depending on when the asset was purchased, first used or installed ready for use.



Timeline (IAWO)

12 May 2015 to 30 Jun 2016

1 Jul 2016 to 28 Jan 2019

29 Jan 2019 to 2 Apr 2019

Asset <= \$20,000 each

Asset <=\$20,000 each

Asset <=\$25,000 each

Eligible business < \$2m aggregated turnover

Eligible business < \$10m aggregated turnover

Eligible business < \$10m aggregated turnover



Timeline (IAWO)

2 Apr 2019 to 11 Mar 2020

12 Mar 2020 to 30 Jun 2021

Asset <= \$30,000 each

Eligible business < \$10m or < \$50m aggregated turnover

Asset <=\$150,000 each

Eligible business < \$10m aggregated turnover

Asset purchased between 12 May 2015 & 31 Dec 2020

Eligible business < \$500m aggregated turnover

Asset purchased between 2 April 2019 & 31 Dec 2020



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