

DEPRECIATION AND CAPITAL ALLOWANCES

TEMPORARY FULL EXPENSING (TFE)

By **TDQS** Pty Ltd

Temporary Full Expensing (TFE)

Temporary full expensing supports businesses and encourages investment, as eligible businesses can claim an immediate deduction for the business portion of the cost of an asset in the year it is first used or installed ready for use for a taxable purpose.

Eligible Business

- A business with an aggregated turnover < \$5billion
- A corporate tax entity that meets the alternative income test

Eligible Assets

- new or second-hand (second-hand asset - aggregated turnover is below \$50 million)
- first held by you at or after 7.30pm AEDT on 6 October 2020
- first used or installed ready for use by you for a taxable purpose (such as a business purpose) between 7.30pm AEDT on 6 October 2020 and 30 June 2023.

Eligible Assets - Exclusions

- assets allocated to a low-value pool or a software development pool
- certain primary production assets such as horticultural plants
- buildings and other capital works you can deduct amounts for under Division 43
- Goodwill
- assets that either
 - will never be located in Australia
 - won't be used principally in Australia for the principal purpose of carrying on a business.

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6 Oct 2020 to 30 Jun 2022

Asset unlimited \$ each

Eligible business < \$5 billion aggregated turnover for new assets

Eligible business < \$50m aggregated turnover for second hand assets

Exclusions: -

- Low Value Pool assets
- Assets used in R&D activities
- Horticultural plants
- Capital works D43
- Goodwill



Contact Us



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