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HUME SMALL BUSINESSES ARE THE WINNERS IN THE BUDGET

Hume's small businesses are the big winners in the Federal Budget, with a lower tax rate announced for companies from 1 July 2016 and further tax incentives.

Federal Member for Hume Angus Taylor said the Turnbull Government's *Ten Year Enterprise Tax Plan* would attract new investment and create jobs in Hume.

"The 16,387 small businesses in Hume are the engine room of our local economy and the backbone of our local communities," he said.

"The Government is committed to making it easier for these businesses to invest, grow and hire more staff and will cut the small business company tax rate to 27.5 per cent, for all small companies with an annual turnover of less than \$10 million."

Over the next decade, the lower tax rate will be extended to all companies and then progressively reduce to 25 per cent by 1 July 2026.

"The Government recognises that not all small businesses are companies," Mr Taylor said

"As a result, the unincorporated tax discount will be increased from 5 per cent to 8 per cent from 1 July 2016 and after the initial increase, the discount will be progressively increased to a final discount rate of 16 per cent from 1 July 2026. This will provide unincorporated small businesses with improved cash flow and allow profitable unincorporated businesses to reinvest in their business to help them grow."

He said the unincorporated tax discount would be limited to small businesses with turnover of less than \$5 million and remain capped at \$1,000 per individual per year.

The Government will also ease the burden on small businesses by increasing access to a range of small business tax concessions, for businesses with an annual turnover of less than \$10 million.

"These incentives include simplified depreciation rules, allowing businesses the ability to claim an immediate deduction for each and every asset purchased costing less than \$20,000 until 30 June 2017," Mr Taylor said.

“We’ve also simplified trading stock rules, giving businesses the option to avoid an end of year stocktake if the value of their stock has changed by less than \$5,000.”

GST administration will also be simplified for small business. From 1 July 2017, all small businesses with less than \$10 million turnover will be able to easily classify transactions, and prepare and lodge their BAS. A trial of the new simpler reporting arrangements will commence on 1 July 2016.

“Our hardworking small businesses need a tax system that actively supports them. The Turnbull Government is creating the right conditions for local small businesses to innovate, prosper, and create new jobs,” Mr Taylor said.