

Federal budget boon for small-business vehicles

Sales of vehicles costing less than \$20,000 expected to boom following surprise government tax break

Melbourne, 13 May, 2015 - Small business owners have emerged as the biggest winners from last's night's Federal Budget, which makes any sub \$20,000 purchase (including vehicles) fully tax deductible.

The move, which sees all assets priced under that figure become an instant tax write-off, is expected to spark a boom in sales of both new and used vehicles to business owners.

Treasurer Joe Hockey said the unexpected budget measure, which applies to any business equipment purchased by businesses with an aggregate annual turnover under \$2 million between 7.30pm (AEST) May 12, 2015 and June 30, 2017, was an attempt to kick-start investment from small businesses.

The new tax break, which comes on top of a 1.5 per cent company tax cut, applies to an unlimited number of sub-\$20,000 purchases that are now instantly tax deductible -- rather than having to claim those purchases as deductions spread over several years.

Previously, the instant asset write-off threshold was just \$1000.

Carsales.com Limited Chief Operating Officer Cameron McIntyre said the announcement was a shot in the arm for small Australian businesses.

"Building business confidence is clearly on the agenda of the federal government in this year's budget, starting with small business.

"The 1.5 per cent cut to the company tax rate, combined with an immediate write-off of acquired assets up to \$20,000 per item, has created the perfect opportunity for small businesses to upgrade their vehicles".

Apart from used vehicles, a vast array of new cars and commercial vehicles are priced from under \$20,000, including most light-cars, many entry-level small-cars and entry-level versions of many commercials, such as the Ford Ranger XL Cab Chassis (from \$19,740) and Toyota's HiLux Cab Chassis (from \$18,990).

The carsales.com network currently has more than 9000 sub-\$20,000 utes for sale, as well as more than 1350 trucks, 1300-plus vans, 1000-plus trailers, 300-plus forklifts, 280-plus tractors, 100-plus harvesters, 160-plus excavators, 70-plus cranes, 70-plus dump trucks, 30-plus dozers and more than 6600 parts and equipment for farmers and over 6900 parts and equipment for the construction industry.

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