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Other capital expenses (including capital works deductions)

You can claim a deduction for the construction costs of buildings and other capital works – such as structural improvements – that are used for producing income.

The deduction is available for the following capital works:

- buildings or extensions, alterations or improvements to a building
- structural improvements such as sealed driveways, fences and retaining walls
- earthworks for environmental protection, such as embankments.

You can also claim a deduction for certain business-related capital expenses you incur, as long as you can't claim a deduction for them under any other part of tax law.

Examples include the cost of setting up or ceasing a business (commonly known as blackhole expenditure) and project related expenses.

You can claim blackhole expenditure over five years.

See also:

- [Other capital asset and expense deductions \(/Business/Depreciation-and-capital-expenses-and-allowances/Other-capital-asset-and-expense-deductions/\)](#)
- [Capital works deductions \(/Business/Depreciation-and-capital-expenses-and-allowances/Capital-works-deductions/\)](#)

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If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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