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29 March 2022

Digital and skills tax boost for small businesses

Joint media release with

**The Hon. Scott Morrison MP
Prime Minister**

**The Hon. Stuart Robert MP
Minister for Employment, Workforce, Skills, Small and Family Business**

The Morrison Government is delivering \$1.6 billion in tax relief to support small businesses to go digital and upskill their employees.

As part of our plan for a strong economy and a stronger future, the Technology Investment Boost will increase digital uptake while the Skills and Training Boost will help small business attract, retain and upskill staff.

Building on previous small business investment incentives, including the ability to instantly write-off assets, which is in place until 30 June 2023, the 2022-23 Budget includes a comprehensive package of measures to support small businesses to grow, innovate and create more jobs.

Technology Investment Boost

The Government's Technology Investment Boost reduces the cost of going digital, supporting businesses to invest more in their digital capability. This measure will provide tax relief of \$1 billion.

More than 3.6 million small businesses with an annual turnover of less than \$50 million will be able to claim a bonus 20 per cent deduction for the cost of expenses and depreciating assets, up to \$100,000 of expenditure per year.

Eligible expenditure includes items such as portable payment devices, cyber security systems and subscriptions to cloud-based services.

The boost will apply to expenditure incurred from 7:30pm (AEDT) on 29 March 2022 (Budget night) until 30 June 2023.

Skills and Training Boost

The Government's Skills and Training Boost encourages small businesses to train new staff and upskill existing staff, helping them to be innovative and grow. This measure will provide tax relief of \$550 million.

Small businesses will be able to claim a bonus 20 per cent deduction for the cost of external training courses delivered to employees in Australia or online, by providers registered in Australia.

This boost will apply to eligible expenditure incurred from Budget night until 30 June 2024.

Making it easier to do business

The Morrison Government is continuing to support small businesses by making it easier to do business. This includes:

- \$10.4 million to enhance and redesign the Payment Times Reporting Portal and Register, making it easier to view the payment practices of Australia's largest organisations.
- \$5.6 million for a dedicated small business unit in the Fair Work Commission, making it easier for them to meet workplace obligations.
- \$8 million to the Australian Small Business and Family Enterprise Ombudsman making it easier to access expert advice.
- \$4.6 million to extend Beyond Blue's NewAccess for Small Business Owners program, making it easier to access mental health support.
- \$2.1 million for Financial Counselling Australia's Small Business Debt Helpline making it easier for small business owners to receive financial advice.

Cash flow support

The GDP uplift rate that applies to PAYG income tax and GST instalments will be reduced to 2 per cent for the 2022-23 income year.

This will mean lower tax instalments, delivering \$1.85 billion in cash flow support for 2.3 million small to medium businesses, sole traders and others who use the instalment amount method.

The Government continues to back small businesses to grow and create jobs as part of our plan for a stronger future.

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