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**30 April 2023**

# Small Business Energy Incentive

**Joint media release with**  
**The Hon Chris Bowen MP**  
**Minister for Climate Change and Energy**  
**The Hon Julie Collins MP**  
**Minister for Small Business**  
**Senator the Hon Jenny McAllister**  
**Assistant Minister for Climate Change and Energy**

Small business operators will be front and centre in next month's Budget with a new tax incentive to help propel their energy transformation.

The Small Business Energy Incentive will help up to 3.8 million small- and medium-sized businesses save energy and save on their energy bills.

The bonus tax deduction will provide businesses with annual turnover of less than \$50 million an additional 20 per cent deduction on spending that supports electrification and more efficient use of energy.

It will help small businesses make investments like electrifying their heating and cooling systems, upgrading to more efficient fridges and induction cooktops, and installing batteries and heat pumps.

Tradies, manufacturers, restaurants, hairdressers, real estate agents and other small businesses are the backbone of communities across Australia. This incentive helps ensure these businesses share in the benefits and opportunities of the energy transition that's now underway.

It will support investments that deliver ongoing power bill savings for businesses, while at the same time helping Australia lower emissions.

Up to \$100,000 of total expenditure will be eligible for the incentive, with the maximum bonus tax deduction being \$20,000 per business.

Eligible assets or upgrades will need to be first used or installed ready for use between 1 July 2023 and 30 June 2024.

This measure is expected to cost \$314 million over the forward estimates.

The incentive has been specially timed to help small businesses lay the foundations for their future growth and position them to bounce back after a challenging period for the economy.

Backing in small business is part of the Albanese Government's plan to build a stronger, sustainable and more resilient economy that delivers more opportunities for more Australians.



The Hon Dr Jim Chalmers MP  
Treasurer

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