

Tax Break For Energy And Natural Resource Sectors

The federal government has recently introduced the *Tax Laws Amendment (Small Business and General Business Tax Break) Bill 2009* into the House of Representatives.

Under the Bill, companies will be able to claim an additional deduction of 10–30%—if they

act quickly—of an asset’s cost in the year in which the asset was installed and ready for use within the qualifying periods. This will be of interest to the energy and natural resources sectors, including mining, oil and gas production, power and utilities and renewable energy, because of their capital-investment nature.

The investment allowance concession will apply to depreciable tangible assets, including motor vehicles, certain mining development costs, tangible assets first used for exploration purposes, and plants and equipment. Expenditure on improvements to existing assets will also qualify for the investment allowance where the relevant expenditure threshold is met. ■