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Small business technology investment boost and Skills and training boost

The Technology Investment Boost and Skills and Training Boost for small businesses in the 2022–23 Budget.

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On 29 March 2022, as part of the 2022–23 Budget, the then Government announced it will support small business through these new measures. These measures are now law.

Small Business Technology Investment Boost

Small businesses (with an aggregated annual turnover of less than \$50 million) can deduct an additional 20 per cent of the expenditure incurred for the purposes of business digital operations or digitising its operations on business expenses and depreciating assets such as portable payment devices, cyber security systems or subscriptions to cloud based services.

An annual \$100,000 cap on expenditure will apply to each qualifying income year. Businesses can continue to deduct expenditure over \$100,000 under existing law.

When the technology investment boost applies

This measure applies to expenditure incurred in the period commencing from 7:30 pm AEDT 29 March 2022 until 30 June 2023. An entity can claim the boost for expenditure on a depreciating asset only if the asset is first used, or installed ready for use, by 30 June 2023.

According to the Bill and associated explanatory materials, it is anticipated special rules will apply to when the bonus deduction can be claimed in tax returns depending on a business's balancing date.

Small Business Skills and Training Boost

Small businesses with an aggregated annual turnover of less than \$50 million will be able to deduct an additional 20% of expenditure that is incurred for the provision of eligible external training courses to their employees by registered providers in Australia. Businesses may continue to deduct expenditure that is ineligible for the bonus deduction in accordance with the existing tax law.

When the skills and training boost applies

This measure applies to expenditure incurred in the period commencing from 7:30 pm AEDT 29 March 2022 until 30 June 2024.

Based on the Bill and associated explanatory materials, it is anticipated special rules will apply to when the bonus deduction can be claimed in tax returns depending on a business's balancing date.

How to claim the boosts

For more information on how and when to claim the boosts:

- [Small business technology investment boost \(/Technologyboost\)](#).
- [Small business skills and training boost \(/Skillstrainingboost\)](#).

More information

- [Budget Paper No.2 \(https://archive.budget.gov.au/2022-23/bp2/download/bp2_2022-23.pdf\)](https://archive.budget.gov.au/2022-23/bp2/download/bp2_2022-23.pdf) – Budget 2022–23
- [Treasury Laws Amendment \(2022 Measures No. 4\) Bill 2022 \(https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bld=r6946\)](https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bld=r6946)
- [Treasury consultation \(https://treasury.gov.au/consultation/c2022-305555\)](https://treasury.gov.au/consultation/c2022-305555) for the Technology Investment Boost
- [Treasury consultation \(https://treasury.gov.au/consultation/c2022-305552\)](https://treasury.gov.au/consultation/c2022-305552) for the Skills and Training Boost

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