

Hi Richard, thank you for your return email, I would like to lodge my thoughts.

I'm astounded that business software directly linked to some of the largest improvements in business viability has been excluded from the tax break. Looking at example 1.1 from the draft of TAX LAWS AMENDMENT (SMALL BUSINESS AND GENERAL BUSINESS TAX BREAK) BILL 2009 we will now have to disassemble the cost of a bundled computer package to find the true cost of the non claimable software – what how stupid is this? I have a computer that will return nothing to my business and I get an incentive!! The software that will make me survive the downturn and NO incentive – it just sounds so idiotic. Would this mean that if I purchase a coffee machine that contains software that I must deduct the software component?

Although software could be classified as intangible, we must view software as a vital tool in the daily operation, often the starting point for most business decisions, a pivot from and where we gain the most leverage for expansion, growth and recovery. I strongly feel this must be revisited and reversed. I'm sure this will equate to more sale for our business, investment in our business and investment in potential customers businesses who in turn will gain so the follow through effect has massive potential.

Your thoughts?

From TAX LAWS AMENDMENT (SMALL BUSINESS AND GENERAL BUSINESS TAX BREAK) BILL 2009

http://www.treasury.gov.au/documents/1487/PDF/Explanatory_Memorandum.pdf

Example 1.1 Annie operates a bakery. On 10 March 2009 she acquires a coffee machine, a new laptop computer and some software.

- The coffee machine and computer are both tangible, depreciating assets. Annie may be able to claim the Tax Break in relation to these assets, if all of the other criteria are satisfied.
- However, the software is an intangible asset and is therefore not eligible for the Tax Break.

Kind regards

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