

**JOINT MEDIA RELEASE
WITH
THE HON CRAIG EMERSON MP
MINISTER FOR SMALL BUSINESS, INDEPENDENT CONTRACTORS
AND THE SERVICE ECONOMY**

EXTENSION OF SMALL BUSINESS ASSISTANCE PACKAGE

Assistant Treasurer, Senator Nick Sherry, and Minister for Small Business, the Hon Dr Craig Emerson MP, today welcomed the announcement by the Commissioner of Taxation, Mr Michael D'Ascenzo, that the Tax Office will extend the Small Business Assistance Package for a further year.

The Package, which was originally intended to expire on 30 June, 2010, will now run until 30 June 2011.

Even though Australia avoided a recession and our economy remains comparatively strong and resilient, the Gillard Government recognises that small businesses, the backbone of our economy, still need help.

The extension of the Small Business Assistance Package will mean that eligible businesses with a turnover of \$2 million or less will continue to have access to:

- a twelve month general interest charge free payment arrangement with the Tax Office, and
- a deferral of activity statement payment due dates.

The first year of the Small Business Assistance Package has proven to be of considerable value to a many small businesses across Australia, with almost 100,000 interest free payment arrangements in place, and more than 6,600 activity statement payment deferrals granted.

The revenue cost of extending these measures is approximately \$55 million in the 2010-11 financial year, a major commitment to help small businesses across Australia.

The extension of the Small Business Assistance Package compliments other important tax-related measures announced by the Gillard Government to support small businesses.

Small businesses will be able to instantly write-off of assets costing up to \$5,000 from the 2012-13 income year, and write-off other assets (apart from buildings and other capital works) in a single depreciation pool at a rate of 30 per cent.

The company tax rate will also be reduced to 29 per cent for eligible small business companies from the 2012-13 income year – one year earlier than for other companies.

BRISBANE
8 July 2010