

# MEDIA RELEASE



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## SENATE PASSES BONUS TAX BREAK ON NEW TRUCKS AND TRAILERS

It has been a good day for Australian trucking companies and trucking equipment suppliers, because the Senate has passed the Government's bonus tax deduction on new equipment like trucks and trailers.

The Chairman of the Australian Trucking Association, Trevor Martyn, said 43 per cent of trucking companies had changed their new asset purchases as a result of the bonus deduction, but it was not locked in by Parliament until today.

"As a result of today's vote, trucking operators who have obtained quotations on new equipment will now start placing firm orders," Mr Martyn said.

"They will end up with safer, more productive, and more efficient truck fleets. Their orders will protect the jobs of the Australians who work for the industry's equipment suppliers, who have been hit hard by the downturn.

"The Government made a good decision to establish the deduction. The industry's thanks must also go to the Coalition and independent senators, who listened to the ATA and other industry groups and allowed it through the Senate," he said.

The legislation passed today reflects the Government's Budget night decision to increase the bonus tax deduction for small businesses to 50 per cent and extend it until 31 December 2009.

"The Government's Budget decision is especially good news for trucking businesses with one or two trucks. Many of these companies want to buy new equipment, but are having problems getting finance on reasonable terms because of the collapse of the wholesale finance market," Mr Martyn said.

"The extension will give them more time to jump through the hurdles now imposed by lenders, as well as providing an additional tax incentive to upgrade their trucks."

The bonus tax deduction will deliver:

- a 50 per cent bonus tax deduction for small businesses with a turnover of \$2 million or less who invest in new equipment like trucks and trailers from 13 December 2008 to 31 December 2009. Small businesses need to invest \$1,000 or more per asset to qualify for the deduction.
- for all other businesses, a 30 per cent bonus tax deduction for investments in new assets between 13 December 2008 and 30 June 2009, falling to 10 per cent for investments between 1 July 2009 and 31 December 2009. These businesses need to invest \$10,000 or more per asset to qualify for the deduction.

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