Fixed Assets

Simplified Depreciation Rules

- **Instant asset write-off** - $20,000

  Less than $10 million aggregated turnover

- **Small Business Pool**

  15% for first year

  30% for subsequent years

Excluded assets

For these assets, you must use the **general depreciation rules**:

- assets that are leased out, or expected to be leased out, for more than 50% of the time on a depreciating asset lease
- assets you allocated to a low-value assets (pool) before using the simplified depreciation rules
- horticultural plants, including grapevines
- software allocated to a software development pool (but not other software)
- assets used in your research and development (R&D) activities
- capital works, including buildings and structural improvements.

For some primary production assets, you can use either the:

- general depreciation provisions, or
- simplified depreciation rules.

Temporary Full Expensing – FY2023

- Eligible for entity's aggregated turnover is less than $10 million.
- eligible new assets first held, first used or installed ready for use for a taxable purpose between 7.30pm AEDT on **6 October 2020 and 30 June 2023**
- eligible second-hand assets where both the asset was first held, first used or installed ready for use for a taxable purpose between 7.30pm AEDT on 6 October 2020 and 30 June 2023 - the eligible entity's aggregated turnover is less than $50 million

Fixed Assets Reconciliation

- Should verify the opening balance of fixed assets based on the previous year financial statement and depreciation schedule.
- Should do the fixed assets ledger scrutiny to reallocate the other head income and expenses which include in fixed assets ledger.
- Should verify the transaction whether is it deducted the GST or not based on the invoice.
- If the fixed assets amount more than 2,000 – 5,000, we should ask query for invoice if invoice is not there in source documents file.
- We should add the assets like date, amount etc.. and update the deprecation rate as per ATO for book depreciation and tax depreciation and sold the assets as per data in books.
- We should run the depreciation once updated the assets.
- We should prepare the workpaper for book and tax depreciation once completed the reconciliation in software.

Motor Vehicles – Luxury Car Limit

- A luxury car limit applies to the cost of passenger vehicles (except a motorcycle or similar vehicle) designed to carry a load less than one tonne and fewer than 9 passengers.
- The one tonne capacity is the maximum load your vehicle can carry, also known as the payload capacity.
- Car limit - $60,733 for 2021-22
  - $64,741 for 2022-23
  - $68,108 for 2023-24
  - $69,974 for 2024-25