

EXPOSURE DRAFT

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Inserts for
**Treasury Laws Amendment (Measures
for Consultation) Bill 2022: skills and
training boost**

Commencement information

| Column 1 | Column 2 | Column 3 |
|-------------------|---------------------|---------------------|
| Provisions | Commencement | Date/Details |

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| 2. Schedule # | The first 1 January, 1 April, 1 July or 1 October to occur after the day this Act receives the Royal Assent. | |
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1 **Schedule #—Bonus deduction for upskilling**
2 **employees of small business entities**
3 **etc.**
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5 *Income Tax (Transitional Provisions) Act 1997*

6 **1 After section 328-440**

7 Insert:

8 **328-445 Bonus deduction for upskilling employees of small business**
9 **entities etc.**

10 *Initial bonus deduction—2022-23 income year for normal or late*
11 *balancers*

- 12 (1) You can deduct 20% of particular expenditure for the 2022-23
13 income year if:
- 14 (a) you are a small business entity, or an entity covered by
15 subsection (4), for the income year in which you incur the
16 expenditure; and
 - 17 (b) you incur the expenditure in the period:
 - 18 (i) starting at 7.30 pm, by legal time in the Australian
19 Capital Territory, on 29 March 2022; and
 - 20 (ii) ending at the end of the 2022-23 income year; and
 - 21 (c) you can deduct 100% of the expenditure under another
22 provision of a taxation law (whether or not in, or wholly in,
23 the 2022-23 income year); and
 - 24 (d) section 328-450 applies to the expenditure.

25 *Initial bonus deduction—2023-24 income year for early balancers*

- 26 (2) Subsection (1) does not apply if your 2022-23 income year starts
27 before 1 July 2022. Instead, you can deduct 20% of particular
28 expenditure for your 2023-24 income year if:
- 29 (a) you are a small business entity, or an entity covered by
30 subsection (4), for the income year in which you incur the
31 expenditure; and
 - 32 (b) you incur the expenditure in the period:
 - 33 (i) starting at 7.30 pm, by legal time in the Australian
34 Capital Territory, on 29 March 2022; and

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- 1 (ii) ending at the end of your 2023-24 income year; and
2 (c) you can deduct 100% of the expenditure under another
3 provision of a taxation law (whether or not in, or wholly in,
4 your 2023-24 income year); and
5 (d) section 328-450 applies to the expenditure.

6 *Later bonus deductions*

- 7 (3) You can deduct 20% of particular expenditure for an income year
8 (the **current year**) if:
9 (a) the current year is after:
10 (i) if your 2022-23 income year starts on or after 1 July
11 2022—your 2022-23 income year; or
12 (ii) if your 2022-23 income year starts before 1 July 2022—
13 your 2023-24 income year; and
14 (b) you are a small business entity, or an entity covered by
15 subsection (4), for the current year; and
16 (c) you incur the expenditure in the current year and before the
17 end of 30 June 2024; and
18 (d) you can deduct 100% of the expenditure under another
19 provision of a taxation law (whether or not in, or wholly in,
20 the current year); and
21 (e) section 328-450 applies to the expenditure.

22 *Businesses with turnover under \$50 million*

- 23 (4) An entity is covered by this subsection for an income year if:
24 (a) the entity is not a small business entity for the income year;
25 and
26 (b) the entity would be a small business entity for the income
27 year if:
28 (i) each reference in Subdivision 328-C (about what is a
29 small business entity) of the *Income Tax Assessment Act*
30 *1997* to \$10 million were instead a reference to \$50
31 million; and
32 (ii) the reference in paragraph 328-110(5)(b) of that Act to a
33 small business entity were instead a reference to an
34 entity covered by this subsection.

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328-450 Expenditure eligible for the bonus deduction for upskilling employees of small business entities etc.

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- 3 (1) This section applies to expenditure if:
- 4 (a) you incur the expenditure for the provision of:
- 5 (i) in-person training for one or more of your employees
6 located in Australia; or
- 7 (ii) online training for one or more of your employees; and
- 8 (b) at each time you incur any of the expenditure for any of the
9 training provided by a particular provider:
- 10 (i) the provider is a registered body of a kind listed in
11 subsection (2); and
- 12 (ii) the training is within the provider's scope of registration
13 (if any) for that kind of registered body; and
- 14 (c) none of the providers of the training is you or an associate of
15 you; and
- 16 (d) each enrolment, or arrangement, for the provision of the
17 training is made or entered into at or after 7.30 pm, by legal
18 time in the Australian Capital Territory, on 29 March 2022;
19 and
- 20 (e) the expenditure is charged, directly or indirectly, to you by
21 the providers of the training.

22 Note: Paragraphs (b) and (c) mean this section will not apply to expenditure
23 for on-the-job training or training provided by you in house.

- 24 (2) For the purposes of paragraph (1)(b), the kinds of registered bodies
25 are as follows:
- 26 (a) a NVR registered training organisation (within the meaning
27 of the *National Vocational Education and Training
28 Regulator Act 2011*);
- 29 (b) a registered higher education provider (within the meaning of
30 the *Tertiary Education Quality and Standards Agency Act
31 2011*);
- 32 (c) a registered education and training organisation (within the
33 meaning of the *Education and Training Reform Act 2006
34 (Vic.)*);
- 35 (d) a registered training provider (within the meaning of the
36 *Vocational Education and Training Act 1996 (WA)*).

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