



MEDIA RELEASE

DR CRAIG EMERSON

Minister for Small Business, Independent Contractors and the Service Economy
Minister for Competition Policy and Consumer Affairs
Minister Assisting the Finance Minister on Deregulation

6 May 2010

Come on Mr Abbott, start telling the truth about small business tax breaks

Opposition Leader Tony Abbott is persisting with his knowingly false claim that only incorporated small businesses will benefit from the Rudd Government's tax reform plan, Small Business Minister Craig Emerson said today.

"Mr Abbott knows full well that every one of Australia's 2.4 million small businesses will get a tax break under the Rudd Government's tax reform proposal," Dr Emerson said.

"All small businesses, whether companies, sole traders or partnerships, will benefit from the instant write-off of assets valued at up to \$5,000.

"And all small businesses will benefit from depreciating assets costing more than \$5,000 at the single annual rate of 30 per cent."

Dr Emerson pointed out that Mr Abbott also knows these measures offer tax relief of more than \$1 billion to all small businesses in the period of the forward estimates (*Overview: Stronger, fairer, simpler – a tax plan for the future, p. 14*).

Yet Mr Abbott told a press conference again today that:

"The other point I should make is that most small businesses are not companies. They will enjoy no tax cut whatsoever."

Australia's 720,000 incorporated small businesses will also benefit from a head-start reduction in the company tax rate from 30 per cent to 28 per cent.

All the small business tax benefits are to be funded by revenue from the Resource Super Profits Tax (RSPT).

"If Mr Abbott succeeds in his attempts to block the RSPT in the Senate he will deny a tax break to every small business in Australia," Dr Emerson said.

Media contact: Lisa Mullins 0413 423 210