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## Tax Tips with JudsonKoman

Quite often, we are asked by our clients as to the deductibility of website expenses incurred by a business. The following information below should help clarify what type of deduction is available to you. If in any doubt, feel free to contact us to discuss your situation further.

### **Claiming website development costs**

If you incur expenses creating or maintaining your business' website, you may be able to claim some of these costs as a deduction in your tax return.

### **a) Capital expenditure**

You might be able to claim costs incurred before you start up your business over a 5 year period after your business starts up (ie claim 20% of the cost per year).

### **b) Simplified depreciation rules**

If you have started your small business already and have chosen to use the simplified depreciation rules, you might be able to deduct the expense immediately.

- If you incur the cost between 12 May 2015 and 30 June 2017 and the cost is:
  - less than \$20,000 – you may claim a deduction for the full cost in the income year you incurred the expenditure;
  - \$20,000 or more – you may allocate the cost to a general small business pool.
- If you incur the cost between 12 May 2015 and 30 June 2017 and the cost is:
  - less than \$20,000 – you may claim a deduction for the full cost in the income year you incurred the expenditure;
  - \$20,000 or more – you may allocate the cost to a general small business pool.

Different rules apply if you have elected to allocate expenditure on in-house software to a software development pool. From 1 July 2015, in-house software expenditure incurred and allocated to a software development pool is deductible over five years.

### **c) Non-capital expenditure**

You may also be able to claim a deduction for the ongoing expenses of running and maintaining your website, such as domain name registration and server-hosting in the income year that you incur this cost.

Should you have any queries, please feel free to contact us on 07 3367 1994.





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