

## Tax breaks to support innovation investment

Written by Administrator  
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The Federal Government will be implementing a new tax incentive to encourage investment into new business ventures, expected to begin during 2016 - subject to passing through parliament.

The program based on the successful UK Seed Enterprise Investment Scheme, will target investment into companies which have incorporated in the previous 3 income years, are not listed on the ASX, and have expenditure less than \$1 million and income less than \$200,000 in the previous income year.

The plan also allows greater venture capital investment in Australia, by introducing a non-refundable tax offset for capital investment in new Early Stage Venture Capital Limited partnerships and increasing the cap on committed capital from \$100 million to \$200 million. Rules that limit depreciation deductions for some intangible assets such as patents will also be removed.