

Federal Labor's small- and medium-sized business tax plan

October 2018

On 12 October 2018 Federal Labor Leader Bill Shorten committed a future Labor government to lowering the rate of corporate tax for all businesses with annual turnover up to \$50 million.

By 2021-22 all small- and medium-sized businesses, encompassing 99 per cent of all businesses in Australia, will have their tax rate reduced to 25 per cent.

The timeline towards reducing the tax rates matches that of the Federal Coalition Government.

The tax reduction will be budgetarily offset by savings accrued from the delayed introduction of Federal Labor's [Australian Investment Guarantee](#) from 1 July 2020 to 1 July 2021. The Guarantee allows all companies investing in Australia to 'immediately expense' 20 per cent of the value of eligible depreciable assets in the first year of all new investments.

Under a Shorten Labor government, 99 per cent of businesses will receive a tax cut and no business will have their tax rate increased from their current rate.

Further information

For more information, please contact your Hawker Britton consultant [Simon Banks](#) on +61 419 638 587.

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