



About this form

This form is used to apply for a provisional depreciation rate for a new asset class, if the asset classes for the general rates do not appropriately cover your item of depreciable property. **Before completing this form please check that there is no applicable general rate for your asset in the Commissioner's Table of Depreciation Rates** – this is available in the booklet *Depreciation Rates IR 265* and in the depreciation rate finder in the "Work it out" section of our website www.ird.govt.nz

If there is an existing depreciation rate for your item but you feel that the rate is not appropriate, because of the way in which your item is used in your business, please instead complete the form *Application for a special depreciation rate IR 260B*.

There are no fees payable for this initial application.

Notes concerning the process and timeframe for responding to this application, and fees for further work, are contained on the final page of this form.

Further information about depreciation is contained in the booklet *Depreciation IR 260*.

Send your application to: LTS Manager – Technical Standards, National Office, Inland Revenue, P O Box 2198, Wellington 6140

Applicant's details

Taxpayer's full name	<input type="text"/>		
IRD number	<input type="text"/>	<input type="text"/>	<input type="text"/>
Address	<input type="text"/>		
Phone number	<input type="text"/>	Fax number	<input type="text"/>
E-mail address	<input type="text"/>		
Contact person for enquiries	<input type="text"/>		

Item details

Describe the item of depreciable property that this application relates to
(State the name of the type of item and describe the design and construction, including the type and amount of materials of which it is made. Describe what the item does and what it produces, if anything, include if possible the name of the manufacturer, the model, the year and serial number.)

How is the item used?

(State the industry or industries which use this type of item and the physical conditions which the item is typically exposed to – for instance whether the item is likely to be exposed to sun, salt water, abrasives, chemicals and/or other environmental influences. Describe the effect that the physical conditions may have on the item and the steps the industry usually takes to protect the item against the conditions.)

When did you acquire the item?

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
day	month	year					

PLEASE ATTACH TO THIS APPLICATION any of the following which you are able to provide:

- ▼ Illustrations/photographs of the item.
- ▼ Copies of any pamphlets, literature or other material which describes the item.

Depreciation details

Cost price of the item \$ (excl GST)

(If this application is for a class of items, estimate the typical current cost of one item in the class. If this application is for a specific item, provide the actual cost.)

Estimated useful life years months

(State the estimated useful life of the item in years. Estimated useful life is the length of time an item might reasonably be expected to be useful in deriving assessable income, by all owners of the item, with an assumption of normal and reasonable maintenance and taking into account the passage of time, likely wear and tear, exhaustion, and obsolescence.)

Estimated residual market value

\$ (excl GST)

%

(State the estimated residual market value of the item, both in dollars and as a percentage of the cost price listed under "Cost of item" above. The estimated residual market value is a reasonable estimation as at the date of acquisition of the item's market value at the end of its estimated useful life, based on an assumption of normal and reasonable maintenance over its estimated useful life.)

PLEASE ATTACH TO THIS APPLICATION any information that is relevant to the estimated useful life and estimated residual market value of the item. Examples of relevant information include:

- ▼ Copies of any pamphlets, literature or other material on the item from manufacturers, valuers, architects, engineers, or other consultants.
- ▼ Details of the useful life and residual market value of items of this type which you have used previously or are currently using.
- ▼ Printed pages from websites or addresses of websites which provide information about the useful life or residual market value of items of this type.
- ▼ Contact details (such as phone numbers or email addresses) for persons who may be able to provide information about the item's useful life or residual value.

Financial reporting depreciation rate % DV SL (tick one)

(State the depreciation rate used for financial reporting purposes by your business.)

Financial reporting description of item

(State the description of the item used for financial reporting purposes by your business.)

Which income year would you would like the provisional rate to apply from? year

PLEASE ATTACH TO THIS APPLICATION a copy of any evidence which shows the way the item is depreciated in your financial accounts, such as notes to your accounts or extracts from your fixed asset register.

Declaration

The details contained in this application are true and correct.

I/We consent to the Commissioner referring the information contained in this application to a consultant to provide professional advice in order to make a determination.

Signature

Date

Please complete this checklist

This checklist is a prompt to help you provide a complete application for a depreciation determination. An incomplete application may cause processing delays.

Tick Have you:

- Checked that there is no existing depreciation rate for your item?
- Answered every question?
- Enclosed any available information which describes your item?
- Enclosed information supporting your estimate of the useful life and residual value of the item?
- Enclosed a copy of information showing how the item is depreciated in your financial accounts?
- Signed the declaration?

Send your completed application to: **LTS Manager – Technical Standards, National Office, Inland Revenue, PO Box 2198, Wellington 6140.**

Notes

Who can use this application form

This application form is intended for the use of taxpayers who own items of depreciable property, other than as trading stock. (Depreciable property is property that might reasonably be expected to decline in value while it is used or available for use in deriving assessable income or in carrying on a business for the purpose of deriving assessable income.)

If this does not apply to you, for instance if you are the manufacturer of the item or an industry group, you are not able to apply for a provisional depreciation determination. We would however welcome requests for a new general depreciation rate for the item. You can do this by putting your request in writing to the address provided above. This application form may be useful as a guide to what information should be included in your request.

Procedure for setting a determination

Once we have received this application we will issue you a letter acknowledging receipt. We may also contact you to request any additional information, if required. We may also engage the services of a consultant valuer.

Once we have all of the necessary information to issue the determination we will prepare a draft determination and send it to you, or will issue you with a notice that we are declining to issue a determination. You will be invited to request a conference to discuss the draft determination. After the conference has been held, or if no conference is requested, the determination or decision to decline will be finalised.

Timeframe for response

We will issue the determination you have applied for, or decide to decline to issue a determination, within six months of receiving a completed application. If this is not possible we will contact you to request that you agree to an extension of the time limit.

Further work

If the Commissioner declines to issue a determination or issues a determination that is unfavourable and you ask that our consultant carry out further work that does not result in a determination favourable to you, we'll charge you for the consultants fee (plus GST) for the further work done, or time attending a conference.

Note: This change will also apply to provisional depreciation rate applications where our consultant is asked to do further work.

Withdrawal

You may withdraw an application at any time by writing to the above address.

Further information

Further information about depreciation is contained in the booklet *Depreciation IR 260* and on our website www.ird.govt.nz You may also seek further information by calling us on 0800 377 774.