

## About this form

This form is used to apply for a special depreciation rate. You may apply for a special depreciation rate if you believe that the applicable depreciation rate for your item of depreciable property is not appropriate because of the way in which your item is used in your business. The Commissioner's Table of Depreciation Rates is available in the booklet **General depreciation rates - IR265** and in the depreciation rate finder in the "Calculators and tools" section of our website [ird.govt.nz](http://ird.govt.nz)

**Note:** From 1 April 2020 (2021 and later income years) you can also apply for a special depreciation rate on non-residential buildings.

General rates are set in bands, that are shown in schedules 11 and 12 of the Income Tax Act 2007. Having banded rates standardises the number of depreciation rates that customers and Inland Revenue need to manage. A special rate will generally only be issued if it is more than half the difference between the item's general banded rate and the next higher (or lower) banded rate contained in schedule 11.

If there is no applicable depreciation rate for your item in the Commissioner's Table of General Depreciation Rates, please complete the form **Application for a provisional depreciation rate - IR260A** instead.

Fees are payable for this application. Notes concerning fees, as well as the process and timeframe for responding to this application, are contained at the end of this form.

Further information about depreciation is contained in the booklet **Depreciation - a guide for businesses - IR260** is available on our website. Send your completed application to: Technical Lead, Legal Services – Technical Standards, Inland Revenue, PO Box Box 2198, Wellington 6140.

## Applicant's details

Taxpayer's full name	<input type="text"/>		
IRD number	(8 digit numbers start in the second box. <input type="text"/> )	<input type="text"/>	<input type="text"/>
Address	<input type="text"/>		
	Street address	<input type="text"/>	<input type="text"/>
	Town or city	<input type="text"/>	Postcode <input type="text"/>
Phone 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, year and serial number.)

<input type="text"/>
<input type="text"/>
<input type="text"/>
<input type="text"/>

When did you acquire the item?

<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 describe the item.

## General depreciation rate

Industry/asset category	<input type="text"/>
Asset class	<input type="text"/>
General depreciation rate	<input type="text"/> % <input type="checkbox"/> DV <input type="checkbox"/> SL (tick one)

(Using the Commissioner's Table of General Depreciation rates, find the industry or asset category and the asset class which most closely describes this type of item.)

## Depreciation details for special depreciation rate

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 asset, 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 this 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.)

Income year from which you would like the special depreciation rate to apply  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.

## Reasons for application

Why do you believe that the general depreciation rate for your item does not reflect the way in which your item is used in your business?

(Tick all that are relevant, and provide an explanation of how your circumstances differ from the ordinary use of the item below. By way of example, if your item is likely to be exposed to sun, salt water, abrasives, chemicals and/or other environmental influences, describe what effect these influences might have on your item over a specified period, the steps that you take to protect and shelter the item against these influences, and how this differs from the ordinary use of the item. If more space is required please attach a covering letter to this application with further details.)

Industry  Physical environment  Use  Obsolescence  Other

Explanation:

  
  

## 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 a general 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?
- Paid the initial application fee of \$150 (plus GST)?
- Signed the declaration?

Send your completed application to: Technical Lead, Legal Services – Technical Standards, Inland Revenue, PO Box 2198, Wellington 6140.

## Notes

### 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.
- We will issue you written notice of the decision and a copy of the determination or the reasons for declining to issue the determination within 30 days of issuing the determination or deciding to decline to issue the determination.

### Fees

The following fees are payable for this application:

- an initial fee of \$150 (plus GST) payable when you apply,
- a processing fee of \$75 (plus GST) per hour (or part hour) after the first two hours for work by Inland Revenue staff,
- further fees for the costs of consultants if you request that the consultant carries out further work, or if they are required to attend a conference.

If we engage a consultant to advise on the estimated useful life or estimated residual value of the asset, we'll charge you the consultants fee (excluding GST), plus GST.

We will provide you with an estimate of the fees that are likely to be incurred in issuing the determination shortly after we have started processing your application.

### Withdrawal of application

You may withdraw an application at any time by writing to the address supplied above. Fees will be charged up to the date we receive your written notice of withdrawal.

### Further information

Further information about depreciation is contained in the booklet **Depreciation - a guide for businesses - IR260** and on our website [ird.govt.nz](http://ird.govt.nz) You may also seek further information by calling us on 0800 377 774.