

Application for a special depreciation rate

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** on our website **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 special depreciation rate 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 or email TechnicalStandards@ird.govt.nz

of email recrimical scandards wird.go	7CHZ									
Applicant's details Taxpayer's full name										
IRD number	(8 digit numbers start in the second box. 12345678)									
Address										
	Street address									
	Town or city Postcode									
Phone number										
E-mail address										
Contact person for enquiries										
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.) When did you acquire the item? Day Month Year PLEASE ATTACH TO THIS APPLICATION any of the following which you can provide: Illustrations/photographs of the item. Copies of any pamphlets, literature or other material which describe the item.										
General depreciation rate										
Industry/asset category										
Asset class										
General depreciation rate	% DV 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										
price of the item	\$		(exc	cl GST)						
s application is for a class of iten	ns estimate the	nate the typical current cost of one item in the				his applicati	ation is for a specific item, provide the actual cost.)			
		years								
nated residual market val	ue \$		(exc	cl 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. 										
ncial reporting depreciatio	n rate	%	DV	SL	. (tio	ck one)				
e the depreciation rate used for the control of the description of the item used the description of the item used the year from which you was at a street at the description of the item used the year from which you was a street at a st	inancial reporting the form of	ng purposes by yo porting purpose special depred a copy of any	s by your bu ciation rat evidence	isiness.) e to app which :	oly		year the item is depreciated in your financial account	ts,		
·		,		Ü						
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	environmen	Use	Obs	olescen	ce	Other	er			
anation:										
claration										
details contained in this a	pplication a	e true and co	rrect.	Signature	2					
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.							/ / Date			
Please complete this checklist										
							, ,			
Checked that there is a g	eneral depre	ciation rate fo	r your ite	m?						
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?										
	is application is for a class of itentions application is application as at the estimated residual market value is a reasonable estimation as at the estimated residual market value is a reasonable estimation as at the end over its estimated useful application of the item. Examples of Copies of any pamphlets, I consultants. Details of the useful life and Printed pages from websititems of this type. Contact details (such as pluseful life or residual value incial reporting depreciation at the depreciation rate used for fincial reporting description is the description of the item use me year from which you was as notes to your account as notes to your account as anotes to your account as anotes to your account and provide set to sun, salt water, abrasives, and provide set to sun, salt water, abrasives, are stated in this application was anotes to your account as anotes to your account and the consent to the Commiss and the provide set of the sun, salt water, abrasives, are stated in this application was anotes to your account as a consent to the Commiss and the consent to the Commiss and the provide set of the sun, salt water, abrasives, and provide set of the sun, salt water, abrasives, and provide set of the sun, salt water, abrasives, and provide set of the sun, salt water, abrasives, and provide set of the sun, salt water, abrasives, and provide set of the sun, salt water, abrasives, and provide set of the sun, salt water, abrasives, and provide set of the sun, salt water, abrasives, and provide set of the sun, salt water, abrasives, and provide set of the sun, salt water, abrasives, and provide set of the sun, salt water, abrasives, and sun, salt water, abr	sprice of the item sapplication is for a class of items estimate the temated useful life the estimated useful life of the item in years. Estimate of the asset, with an assumption of normal and remated residual market value the estimated residual market value of the item, is a reasonable estimation as at the date of acquistenance over its estimated useful life.) ASE ATTACH TO THIS APPLICATION to of the item. Examples of relevant informations. Details of the useful life and residual marginates. Details of the useful life and residual marginates of this type. Contact details (such as phone number useful life or residual value. Incial reporting depreciation rate the depreciation rate of the depreciation rate used for financial reporting description of the item used for financial reporting description of the item used for financial reporting the description of the item used for financial reporting as notes to your accounts or extracts as notes to you take to protect and shelter the item energy letter to this application with further detail industry Physical environment anation: Claration details contained in this application are a consent to the Commissioner referring letter to this application with further detail industry Physical environment anation: Claration details contained in this application are a consent to the Commissioner referring letter to this application with further detail industry Physical environment anation: Claration details contained in this application are a consent to the Commissioner referring letter to this application with further detail industry Physical environment anation: Claration details contained in this application are a consent to the Commissioner referring letter to this application with further detail industry Physical environment anation with further detail industry Checked that there is a general depreciance a	price of the item s application is for a class of items estimate the typical current command useful life s application is for a class of items estimate the typical current command and useful life is its of the asset, with an assumption of normal and reasonable mainted residual market value se the estimated residual market value se the estimated residual market value of the item, both in dollars are is a reasonable estimation as at the date of acquisition of the items en accover its estimated useful life. ASE ATTACH TO THIS APPLICATION any information of any pamphlets, literature or other material consultants. Details of the useful life and residual market value of Printed pages from websites or addresses of websites tems of this type. Contact details (such as phone numbers or email addressed life or residual value. Incial reporting depreciation rate set the depreciation rate used for financial reporting purposes by your claim to the item used for financial reporting purposes by your accounts or extracts from your fixe as notes to your accounts or extracts from your fixe as notes to your accounts or extracts from your fixe as notes to your accounts or extracts from your fixe and you take to protect and shelter the item against these in ering letter to this application with further details.) Industry Physical environment Use anation: Claration details contained in this application are true and cone or consultant to provide any accounts or extracts from your fixed to sun, salt water, abrasives, chemicals and/or other environment and you take to protect and shelter the item against these in ering letter to this application with further details.) Industry Physical environment Use anation: Claration details contained in this application are true and cone account to the Commissioner referring the informationed in this application with further details.) Industry Physical environment Use anation: Checked that there is a general depreciation rate for Answered every question? Enclosed any of information	price of the item s application is for a class of items estimate the typical current cost of one ite mated useful life the estimated useful life of the item in years. Estimated useful life is the length of ro of the asset, with an assumption of normal and reasonable maintenance and to the testimated useful life of the item in years. Estimated useful life is the length of ro of the asset, with an assumption of normal and reasonable maintenance and to the testimated useful arrived to the item, both in dollars and as a perce is a reasonable estimation as at the date of acquisition of the item's market value enance over its estimated useful life.) ASE ATTACH TO THIS APPLICATION any information that is e of the item. Examples of relevant information include: Copies of any pamphlets, literature or other material on this it consultants. Details of the useful life and residual market value of items of the ritems of this type. Contact details (such as phone numbers or email addresses) for useful life or residual value. Incial reporting depreciation rate **Details of the useful reporting purposes by your business incial reporting description embed the description of the item used for financial reporting purposes by your business incial reporting description embed the description of the item used for financial reporting purposes by your business as notes to your accounts or extracts from your fixed asset reasons for application of do you believe that the general depreciation rate for your items as notes to your accounts or extracts from your fixed asset reasons for application of do you believe that the general depreciation rate for your items and the reporting depreciation rate influences, an ering letter to this application with further details.) Industry Physical environment Use Obsanation: Claration details contained in this application are true and correct. e consent to the Commissioner referring the information and in this application to a consultant to provide essional advice in order to make a dete	price of the item \$ (excl GST) s application is for a class of items estimate the typical current cost of one item in the state as application is for a class of items estimate the typical current cost of one item in the state duseful life is the length of time an it is of the asset, with an assumption of normal and reasonable maintenance and taking into mated residual market value \$ (excl GST)	price of the item \$ (excl CST) s application is for a class of items estimate the typical current cost of one item in the class. If the application is for a class of items estimate the typical current cost of one item in the class. If the mated useful life of the item in years months is the estimated useful life of the item in years. Estimated useful life is the length of time an item might so the asset, with an assumption of normal and reasonable maintenance and taking into account mated residual market value of the item, both in dollars and as a percentage of the cost p is a reasonable estimation as at the date of acquisition of the item's market value at the end of its tenance over its estimated useful life.) **ASE ATTACH TO THIS APPLICATION** any information that is relevant to the e of the item. Examples of relevant information include: **Copies of any pamphlets, literature or other material on this item from manusous literature or provide information include: **Copies of any pamphlets, literature or other material on this item from manusous literature or provide information include: **Copies of any pamphlets, literature or other material on this item from manusous literature or addresses of websites which provide information removes of this type. **Details of the useful life and residual market value of items of this type which printed pages from websites or addresses of websites which provide information residual value. **Details of the useful life and residual market value of items of this type which provide and provide apages from websites or addresses of websites which provide information residual value. **Details of the useful life and residual market value of items of this type which seems of this type. **The depreciation residual value. **The depreciation residual value provide as provide and provide and provide	price of the item \$ (excl GST) s application is for a class of items estimate the typical current cost of one item in the class. If this applic mated useful life of the item in years. Estimated useful life is the length of time an item might reasonas is of the assex, with an assumption of normal and reasonable maintenance and taking into account the passay matted residual market value of the item, both in dollars and as a percentage of the cost price listee is a reasonable estimation as at the date of acquisition of the item's market value at the end of its estimates each is a reasonable estimation as at the date of acquisition of the item's market value at the end of its estimates each is a reasonable estimation as at the date of acquisition of the item's market value at the end of its estimates each is a reasonable estimation as at the date of acquisition of the item's market value at the end of its estimates each of the item. Examples of relevant information include: **Copies of any pamphlets, literature or other material on this item from manufacture consultants. **Derinted pages from websites or addresses of websites which provide information abterns of this type. **Derinted pages from websites or addresses of websites which provide information abterns of this type. **Derinted pages from websites or addresses of websites which provide information abterns of this type. **Derinted pages from websites or addresses of websites which provide information abterns of this type. **Derinted pages from websites or addresses of websites which provide information abterns of this type. **Derinted pages from websites or addresses of websites which provide information abterns of this type. **Derinted pages from websites or addresses of websites which provide information abterns of this type. **Derinted pages from websites or addresses of websites which provide information and the provide accounts or extracts from purposes by your business. **Derinted pages from the item is depreciation or the total provide accou	price of the item		

Send your completed application to: Technical Lead, Legal Services – Technical Standards, Inland Revenue, PO Box 2198, Wellington 6140 or email to TechnicalStandards@ird.govt.nz

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 may request a conference to discuss the draft determination or decision to decline.

Timeframe for response

- We will issue the determination you have applied for, or decide to decline to issue a determination, within 6 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.

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

For further information about depreciation, go to our website **ird.govt.nz/depreciation** or by reading our guide **Depreciation** - **a guide for businesses** - **IR260**. You may also seek further information by calling us on 0800 377 774.