



18 July 2025

[Redacted]
[Redacted]
[Redacted]

Dear [Redacted]

Thank you for your request made under the Official Information Act 1982 (OIA), transferred to me on 3 July 2025. You requested the following:

- *Inland Revenue Briefing Note BN2025/243: 100% expensing*
- *Inland Revenue Briefing Note BN2025/247: Application of Investment Boost to Commercial Buildings*
- *Inland Revenue Briefing Note BN2025/251: Investment Boost calculator*

Information being released

I am releasing documents *BN2025/247: Application of Investment Boost to Commercial Buildings* and *BN2025/251: Investment Boost calculator* to you, enclosed as **Appendix A**.

These documents are released subject to information being withheld under section 9(2)(a) of the OIA – to protect the privacy of natural persons.

As required by section 9(1) of the OIA, I have considered whether the grounds for withholding the information requested is outweighed by the public interest. In this stance, I do not consider that to be the case.

Information publicly available

Your request for document *BN2025/243: 100% expensing* is refused under section 18(d) of the OIA, as the information will soon be publicly available on Inland Revenue's tax policy website (taxpolicy.ird.govt.nz) as part of Inland Revenue's proactive release of Budget 2025 documents.

Right of review

If you disagree with my decision on your OIA request, you have the right to ask the Ombudsman to investigate and review my decision under section 28(3) of the OIA. You can contact the office of the Ombudsman by email at: info@ombudsman.parliament.nz.

Publishing of OIA response

We intend to publish our response to your request on Inland Revenue's website (ird.govt.nz) as this information may be of interest to other members of the public. This letter, with your personal details removed, may be published in its entirety. Publishing responses increases the availability of information to the public and is consistent with the OIA's purpose of enabling more effective

participation in the making and administration of laws and policies and promoting the accountability of officials.

Thank you again for your request.

Yours sincerely



Felicity Barker
Policy Lead - Economics

Briefing note

Reference: BN2025/247

Date: 27 May 2025

To: Revenue Advisor, Minister of Finance – Emma Grigg
Revenue Advisor, Minister of Revenue – Angela Graham
Private Secretary, Minister of Revenue – Helen Kuy

From: Elly Ward

Subject: **Application of Investment Boost to Commercial Buildings**

General application

1. Investment Boost is available for new commercial and industrial buildings and assets which are new improvements to these buildings (e.g., earthquake strengthening, weather-proofing etc). It is not available for repairs and maintenance to existing capital assets however these costs are generally immediately fully deductible (i.e., receive a larger deduction than under Investment Boost).
2. Investment Boost is available for assets that are first available for use on or after 22 May 2025. A building is considered 'available for use' when it can be used for its intended purpose. A building is not available for use when it is still under construction. Consequently, buildings under construction before 22 May 2025 but completed on or after that date should be eligible for Investment Boost on the full build costs.

Property developers

3. A common business model is for a property developer to enter into a sale-and-purchase agreement prior to the completion of the building's construction. The Investment Boost deduction will be available to the ultimate purchaser of the building (assuming that the building is the property developer's trading stock and therefore not eligible for Investment Boost in their hands).
4. As under the existing depreciation rules, the asset can only be depreciated from the time at which the building becomes available for use by the purchaser. The existence of a sale and purchase agreement does not in itself mean that the asset is available for use.
5. Inevitably there will be borderline cases around the 22 May 2025 date. For example, there may be questions as to whether the building is 'available for use' before or after 22 May. This will depend on particular facts and circumstances of the case. Certainty can be obtained through the usual processes such as binding rulings.

Improvements

6. Capital improvements to buildings such as earthquake strengthening and weather-proofing should be eligible for Investment Boost and follow many of the same principles as the underlying asset they improve. If they are under construction (and therefore not available for use) on 22 May 2025 then they will be eligible for Investment Boost.
7. There may be boundary issues relating to the completion of multiple improvements in sections where some sections become available for use before others. The eligibility for Investment Boost will depend on the specific facts and circumstances of the scenario.
8. Where work is done on an existing building that is to merely restore the building to its original state there may not be an improvement (which would be eligible for Investment Boost). Instead, the work may be characterised as repairs and maintenance. Repairs and maintenance are typically expensed to revenue account, which is immediately fully deductible.
9. Expenditure characterised as repairs and maintenance is therefore not disadvantaged compared to expenditure characterised as being a new capital improvement as the owner of the underlying asset will receive a larger deduction than under Investment Boost.

Consultation with the Treasury

10. The Treasury was informed about this briefing note.

Elly Ward
Principal Policy Advisor
s 9(2)(a)

Briefing note

Reference: BN2025/251

Date: 28 May 2025

To: Revenue Advisor- Emma Grigg

From: Felicity Barker

Subject: **Investment Boost calculator**

Purpose

1. You have asked whether Inland Revenue can create an integrated Investment Boost/depreciation calculator.

Investment Boost calculator

2. Inland Revenue currently has a depreciation calculator that calculates the amount of annual depreciation and closing values for a given asset.¹ The calculator assists individuals and businesses to comply with current tax rules so it is important that it is correct.
3. Inland Revenue is in the process of drafting advice for customers to include in the calculator. This will provide guidance on how Investment Boost relates to the depreciation calculator so that customers can both calculate their Investment Boost amount and the new depreciation amount if they have claimed Investment Boost. Inland Revenue expects the guidance to be live at the end of the week.
4. The guidance to be included with the calculator advises customers claiming Investment Boost to deduct 20% of the value of depreciable assets (with appropriate apportionment for mixed use assets). Customers then input the remaining asset value into the calculator to calculate the depreciation amount in the current year as well as subsequent years (i.e. the post Investment Boost amount is depreciated).
5. Inland Revenue is not proposing that the calculator compute the Investment Boost amount. This is because Investment Boost is optional, so not all customers will claim it, and in some cases it will be apportioned. If the calculator computed the Investment Boost amount and the new depreciation base, this would require more fields which will lead to additional complexity when the results are displayed and could lead to incorrect tax paid.
6. Inland Revenue considers the proposed approach will allow customers to easily calculate the Investment Boost amount and the resulting depreciation. Having a calculator separate to the current calculator is likely to create duplication and inconsistencies and could result in incorrect amounts of tax being paid.

¹ [Depreciation rate finder and calculator - Find your rate - Inland Revenue](#)

7. Note that the results from the depreciation calculator provide a component of the customer's overall tax calculation. Even if Investment Boost were included in the calculator, it would not show the overall change to the tax payable.

Other customer supports Inland Revenue is putting in place

8. Inland Revenue has been engaging extensively with stakeholders since Investment Boost was launched.
9. Discussions with stakeholders suggest that when it is clear that an asset is eligible for Investment Boost, it is relatively straight forward to calculate the amount of Investment Boost and the new depreciation amounts.
10. The main queries we are receiving relate to classification issues. For example, some stakeholders have asked about whether specific types of property should be treated as commercial or residential (e.g. student accommodation, build to rent). We have had several queries about the scope of improvements eligible for Investment Boost (e.g. earthquake strengthening) and the interaction of the policy with Government grants. We therefore consider that a main area of focus for customer management going forward needs to be on clarity as to the scope of assets covered.
11. In this regard the Policy team has been engaging with external stakeholders to determine if there are any issues that may need a remedial amendment in the Act and to identify further issues that might need clarifying. Inland Revenue expects to provide some clarifications in the Tax Information Bulletin, expected to be published in July.
12. There are a number of other measures Inland Revenue is developing to support the new policy:
 - Additional content will be published on the Inland Revenue external website once the Bill receives Royal Assent. This will provide additional detail for customers about what can be claimed.
 - Inland Revenue are discussing the policy with software providers this week. Following this, Inland Revenue will be able to provide customers detail about how to reflect the Investment Boost deduction in their returns for the 2025 tax year and will provide guidance for the 2026 year as part of the standard April release.
 - Internal guidance has been provided so Inland Revenue staff can educate customers on the policy.

Consultation with the Treasury

13. The Treasury was informed about this briefing note.

Felicity Barker

s 9(2)(a)