

● Read our booklet *Rental income (IR264)* to help you fill in this form.

Year ended 31 March

Your name  IRD number   
(8 digit numbers start in the second box.        )

Address of property rented

Period the property was available for renting  months

**Income** - read Note 2 over the page.

Total rents	<input type="text"/>	<b>1</b>	\$	<input type="text"/>	.	<input type="text"/>
Other income (specify) <input type="text"/>		<b>2</b>	\$	<input type="text"/>	.	<input type="text"/>
Gain or loss on disposal (enter any loss in brackets)		<b>3</b>	\$	<input type="text"/>	.	<input type="text"/>
<b>Total income</b>		<b>A</b>	\$	<input type="text"/>	.	<input type="text"/>

**Expenses** - read Note 3 over the page.

Rates	\$	<input type="text"/>	.	<input type="text"/>
Insurance	\$	<input type="text"/>	.	<input type="text"/>
Interest	\$	<input type="text"/>	.	<input type="text"/>
Agent's collection fees	\$	<input type="text"/>	.	<input type="text"/>

Repairs and maintenance—read Note 4 over the page.

<input type="text"/>	\$	<input type="text"/>	.	<input type="text"/>
<input type="text"/>	\$	<input type="text"/>	.	<input type="text"/>
<input type="text"/>	\$	<input type="text"/>	.	<input type="text"/>

Other (specify)

<input type="text"/>	\$	<input type="text"/>	.	<input type="text"/>
<input type="text"/>	\$	<input type="text"/>	.	<input type="text"/>
<input type="text"/>	\$	<input type="text"/>	.	<input type="text"/>

**Depreciation** - print the details below.

Buildings - read Note 5 over the page.	\$	<input type="text"/>	.	<input type="text"/>
Assets - read Note 6 over the page.	\$	<input type="text"/>	.	<input type="text"/>

**Total expenses** **B** \$

**Net rents** (total rents less expenses)—subtract Box B from Box A and print in Box C.  
Copy this amount to your tax return.

**C** \$

**Depreciation of buildings** - read Note 5 over the page.

Date purchased  Construction materials and building description   
Day Month Year

**Straight line method (SL)**

Cost of buildings (excluding cost of land)	\$	<input type="text"/>	.	<input type="text"/>
Rate	%	<input type="text"/>		
Depreciation claimed	\$	<input type="text"/>	.	<input type="text"/>

**Diminishing value method (DV)**

Opening adjusted tax value	\$	<input type="text"/>	.	<input type="text"/>
Rate	%	<input type="text"/>		
Depreciation claimed	\$	<input type="text"/>	.	<input type="text"/>
Closing adjusted tax value	\$	<input type="text"/>	.	<input type="text"/>

**Depreciation of assets** - read Note 6 over the page.

Asset	Date purchased	Cost	Opening adjusted tax value	Rate	Method SL/DV	Depreciation claimed	Closing adjusted tax value
<input type="text"/>	<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	<input type="text"/> %	<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
<input type="text"/>	<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	<input type="text"/> %	<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
<input type="text"/>	<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	<input type="text"/> %	<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
<input type="text"/>	<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	<input type="text"/> %	<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
<input type="text"/>	<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	<input type="text"/> %	<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
<b>Total</b>						\$ <input type="text"/>	\$ <input type="text"/>

Take a copy for your records and staple this page to page 3 of your return.

The information on this form is based on current tax laws at the time of printing.

### Note 1 General

Fill in a separate IR3R for each property rented out. Each IR3R covers the year to your balance date.

### Note 2 Income

Enter the total rents received in Box 1. Enter any other income related to the rental property, such as insurance receipts or rates refunds in Box 2. If you sell or dispose of any of your assets you may be required to account for the loss or gain in Box 3 - call us on 0800 377 774.

Add up Boxes 1, 2 and 3 to calculate your total income. If Box 3 is a loss, subtract it from the sum of Boxes 1 and 2. Enter the total income in Box A.

### Note 3 Expenses

Claim ongoing expenses such as rates, insurance, interest and depreciation in proportion to the number of months the property was available for renting out, eg, if the property was available for 10 months, you can claim <sup>10</sup>/<sub>12</sub> of these expenses.

Expense for a holiday home or bach used both privately and to earn income may be subject to the mixed-use asset rules see the *Rental income (IR264)* booklet for more information.

### Note 4 Repairs, maintenance and other expenses

Please fully explain any claims for repairs, maintenance and other expenses. You may claim repairs and maintenance but not additions or improvements to property or plant. Improvements to property or plant can be depreciated. If there isn't enough space, please attach a separate note.

### Note 5 Depreciation on buildings

From the 2011-12 income year, depreciation on buildings has reduced to 0% where buildings have an economic life of more than 50 years. For more information refer to *Depreciation - a guide for businesses (IR260)*.

### Note 6 Depreciation on assets

You may depreciate each item individually or pool some or all of the assets to calculate depreciation. Assets which can be pooled are those which:

- are not used privately, and
- cost \$5,000 or less, or
- have been depreciated so their adjusted tax value is \$5,000 or less.

Pool depreciation is calculated on the average pool value at a single rate using the DV method. The rate you must use for the pool is the lowest rate for an asset in the pool. Once you have included an asset in a pool you can segregate it only if you use the asset for private use.

If you switch from the DV to the SL method for assets not pooled, calculate depreciation on the opening adjusted tax value instead of the original cost.

The table below shows the rates of commonly used assets.

If an asset was acquired before 1 April 2011, different rates may apply. If this is the case, or an asset being used is not listed, please see our depreciation rate finder at [www.ird.govt.nz](http://www.ird.govt.nz)

### Note 7 Record keeping

Keep your receipts and invoices with your records in case we request them. You must keep all your records for seven years.

### Note 8 More information

Our booklets *Rental income (IR264)*, *Depreciation (IR260)* and *Depreciation rates (IR265)* may help you. You can get these booklets and this IR3R form at [www.ird.govt.nz](http://www.ird.govt.nz) or by calling 0800 257 773. If you need more help call us on 0800 377 774.

Asset	Residential Rental Properties Chattels – sample list of depreciation rates available from 1 April 2011.	
	DV %	SL %
	General rate	General rate
Air conditioners and heat pumps (through wall or window type)	20	13.5
Air ventilation systems (in roof cavity)	20	13.5
Appliances (small)	50	40
Blinds, drapes and curtains	25	17.5
Carpets	25	17.5
Dishwashers	30	21
Furniture (loose)	20	13.5
Lawnmowers	50	40
Microwave oven	50	40
Ovens and stoves	25	17.5
Refrigerators and freezers	25	17.5
Televisions and stereos	40	30
Utensils (including pots and pans)	67	67
Washing machines, dryers	30	21

**Note:** 20% loading may apply to depreciable property acquired on or before 20 May 2010. Refer to *Depreciation: a guide for businesses (IR260)* for further information.