



R&D Tax Incentive

The Government has committed to raising New Zealand's research and development (R&D) expenditure to 2% of GDP over 10 years.

To reach this target more businesses will need to increase their expenditure on R&D. This will be supported through an R&D tax incentive.

We have listened to your feedback and have produced a user-friendly, fit-for-purpose scheme that will support a wide range of businesses to undertake more R&D.

The key features of the R&D tax incentive include:

- A credit rate of 15%
- A \$120 million cap on eligible expenditure
- A minimum R&D expenditure threshold of \$50,000 per year
- A limited form of refunds for the first year of the scheme that will mirror the R&D tax-loss cash-out scheme run by Inland Revenue. A more comprehensive policy will be in place for the second year of the scheme
- A definition of R&D that ensures the credit can be accessed more easily across all sectors, including the technology sector
- The inclusion of State Owned Enterprises, industry research cooperatives, levy bodies, and minority-owned subsidiaries of select Crown entities.

The 15% tax credit will be available from the beginning of a business's 2019/20 income year.

[Video transcript](#)

[R&D Tax Incentive summary flyer \[PDF 91KB\]](#)

Policy changes from the Discussion Document

[Read how the proposed policies changed following feedback \[PDF 326KB\]](#)

Briefing documents for download

[Cover note for release of R&D tax incentive briefings 14 June – 29 August 2018 \[PDF 217KB\]](#)

- [Approach to the R&D tax incentive bill \(redacted\) \[PDF 71KB\]](#)
- [R&D Tax Incentive - Summary of Submissions \(redacted\) \[PDF 1.5MB\]](#)
- [Report on UK and Norway R&D Tax Credit Schemes \(redacted\) \[PDF 175KB\]](#)
- [R&D tax incentive for implementation \(redacted\) \[PDF 181KB\]](#)
- [R&D Tax Incentive Support for loss-making firms and transition arrangements \(redacted\) \[PDF 118KB\]](#)
- [Cabinet paper R&D tax incentive for implementation \(redacted\) \[PDF 109KB\]](#)
- [Options to expedite transition of Growth Grant customers to R&D Tax Incentive \(redacted\) \[PDF 102KB\]](#)
- [R&D Tax Incentive Extensions to Growth Grant contracts \(redacted\) \[PDF 71KB\]](#)
- [R&D tax incentive for implementation cabinet paper \(redacted\) \[PDF 321KB\]](#)
- [Science and Innovation Briefings on the R&D Tax Incentive, 2 November 2017 – 15 May 2018 \(redacted\) \[PDF 6.9MB\]](#)

Submissions

[Matrix of Submissions \[XLSB 16KB\]](#)

- [Submissions 001-026 \(redacted\) \[PDF 15.6MB\]](#)
- [Submissions 027 - 036 \(redacted\) \[PDF 8.9MB\]](#)
- [Submissions 037 - 059 \(redacted\) \[PDF 6.7MB\]](#)
- [Submissions 060 - 089 \(redacted\) \[PDF 5.3MB\]](#)
- [Submissions 090 - 108 \(redacted\) \[PDF 4.3MB\]](#)
- [Submissions 109-135 \(redacted\) \[PDF 13MB\]](#)
- [Submissions 136 - 167 \(redacted\) \[PDF 762KB\]](#)
- [Submissions 168-199 \(redacted\) \[PDF 13MB\]](#)
- [Submissions 200-233 \(redacted\) \[PDF 6MB\]](#)