



Understanding the Research and Development (R&D) Tax Incentive supplementary return

This factsheet will help you prepare for completing your R&D Tax Incentive supplementary return (available after the end of your 2019-20 income year in your myIR account). This factsheet is based on a version of the return at 3 November 2019, minor changes may have been made since then.

About

The About section explains:

- the purpose of the R&D Tax Incentive supplementary return
- what you'll need to complete the return
- when you need to complete the return by.

[Home](#) > [R&D supplementary return](#)

1 About >

About

About this service

Complete your R&D Tax Incentive (RDTI) supplementary return.

When to use this service

Your RDTI supplementary return gives us supporting information about your eligible R&D activities and expenditure.

To claim R&D tax credits, you must:

- File an income tax return, and
- Complete and submit an RDTI supplementary return within 30 days of your income tax return due date.

What you'll need

- Information on your eligible R&D activities and expenditure
- Names and IRD numbers of organisations who performed this R&D with you, for example in a partnership or joint venture or for you as an R&D contractor
- Business performance information
- Each party in a joint venture or partnership needs to apply for supplementary return. Make sure each party uses the same project name and activity descriptions in their application.

What happens next

- We'll send you a notice confirming receipt of your submission.
- We can only process your RDTI supplementary return once we have received your income tax return.
- Your claim may take up to 10 weeks to process. Once your claim has been processed, we'll send you a notice confirming your assessment.

Save draft

Cancel

Next >

Project information

When you select **Add project**, you'll get the below fields to enter the information about your R&D project. You'll need to add a description of the project and provide details of eligible R&D expenditure. Projects are what you attribute your core and supporting activities to when you complete that information later in the return.

[Home](#) > R&D supplementary return

1 About ✓ > 2 Project information >

Project information

test	Hide details ^
IRD number:	Filing period: 31-Mar-2020

R&D projects

Enter information about your R&D projects below.

Projects New project

Record 1

i A 'project' is a group of related core and supporting activities. If you do not have a concept of 'project', you can create a project for each core R&D activity you are requesting approval for.

Project identifier	Project number
*Required	152,338,432

Start date	End date
*Required	

Describe the overall objective of your project.

*Required

Was some or all of this project carried out as part of a partnership?

* Yes No

Was some or all of this project carried out as part of a joint venture?

* Yes No

Project expenditure including eligible overseas expenditure

Percentage on core activities	Employee-related costs for this project	Approved research provider payments
*Required %	\$ 0.00	\$ 0.00
Percentage on supporting activities	R&D contractor payments	Eligible R&D tax depreciation
0.00 %	\$ 0.00	\$ 0.00
Total percentage across all activities	Materials, consumables and overheads	Any other expenditure
0.00 %	\$ 0.00	\$ 0.00
		Total eligible R&D expenditure
		\$ 0.00

Breakdown of expenditure accounted for above

Expenditure incurred in course of commercial production

\$ 0.00

Expenditure on internal software development

\$ 0.00

Eligible feedstock expenditure

\$ 0.00

Eligible overseas R&D expenditure for this project

\$ 0.00

+ Add project Delete project

Save draft Cancel

< Previous Next >

Core activities

In this section you add and describe your core activities. This includes the scientific or technological uncertainty, the systematic approach taken and how the activity intends to create new knowledge, or new or improved goods or services.

[Home](#) > [R&D supplementary return](#)

1 About ✓ > 2 Project information ✓ > 3 Core activities >

Core activities

test

Hide details ^

IRD number: Filing period: 31-Mar-2020

R&D core activities

Filter

Project identifier	Start date	End date	Number of core activities
			0

Enter information about your R&D core activities below. Refer to the summary of projects above.

Core activities

New activity

Record 1

Core activities evaluate solutions to your scientific or technological uncertainty. Approval may be granted for up to three years.

Title

* Required

Activity number

1,226,080,256

Related project

* Required

Activity starts this tax year

* Required

Activity ends this tax year

* Required

Describe your core activity

* Required

Scientific or technological uncertainty exists if:

- the required knowledge is not publicly available
- a professional in that field cannot work out the answer without undertaking a systematic approach to evaluate possible solutions.

Describe the scientific or technological uncertainty that your core activity had a material purpose of resolving.

* Required

A systematic approach is a planned and structured method to resolving your scientific and technological uncertainty.

Describe the systematic approach you took conducting the core activity.

* Required

Describe how your core activity intends to create either:

- new knowledge
- new or improved processes, services or goods.

* Required

Add core activity

Delete core activity

Add at least one core activity per project to continue.

Save draft

Cancel

Previous

Next

The information in this document was current at the time of publication.

ird.govt.nz

Supporting activities

When you select **Add supporting activity**, you'll get the below form to enter details of your supporting R&D activity.

[Home](#) > R&D supplementary return

1 About ✓ > 2 Project Information ✓ > 3 Core activities ✓ > 4 Supporting activities >

Supporting activities

test	Hide details ^
IRD number: <input type="text"/>	Filing period: 31-Mar-2020

R&D supporting activities

If you have any supporting activities, enter information about these below.

Supporting activities • New activity

Record 1

Supporting activities are directly related to a core R&D activity. These activities may qualify for the tax incentive if:

- supporting the core R&D activity is their only or main purpose
- they are required for and integral to the core R&D activity.

Approval may be granted for up to three years.

Title	Activity number
<input type="text"/>	1,762,951,168

Activity starts this tax year	Activity ends this tax year
<input type="text"/>	<input type="text"/>

Describe your supporting activity

Describe how this satisfies the supporting activity definition.

Select associated core activities

Select associated core activities

Select at least one core activity

+ Add supporting activity - Delete supporting activity

Save draft	Cancel
------------	--------

< Previous	Next >
------------	--------

Joint ventures/partnerships

You'll need to complete the following information if you've indicated that the R&D is being performed as part of a **joint venture**.

[Home](#) > R&D supplementary return

1 About ✓ > 2 Project information ✓ > 3 Core activities ✓ > 4 Supporting activities ✓ > 5 Joint ventures/partnerships >

Joint ventures/partnerships

test

[Hide details](#) ^

IRD number:

Filing period: 31-Mar-2020

Joint ventures/partnerships

1 A joint venture is when two or more parties with the same objective temporarily join together for a common purpose. A partnership is when two or more parties join in business. The people involved are usually co-owners of a single business enterprise.

What are the names and IRD numbers of the persons party to the above joint venture/partnership?

Project identifier	Party name	IRD number	IRD not known	Share of eligible expenditure	Interest in this group (%)
			<input type="checkbox"/>	\$	%

1 Add at least one entry to the persons party to the joint venture table to continue.

How have you calculated your joint venture interest?

*Required

Save draft

Cancel

< Previous

Next >

You'll need to complete the following information if you've indicated that the R&D is being performed as part of a **partnership**.

[Home](#) > R&D supplementary return

1 About ✓ > 2 Project information ✓ > 3 Core activities ✓ > 4 Supporting activities ✓ > 5 Joint ventures/partnerships >

Joint ventures/partnerships

test

[Hide details](#) ^

IRD number:

Filing period: 31-Mar-2020

Joint ventures/partnerships

1 A joint venture is when two or more parties with the same objective temporarily join together for a common purpose. A partnership is when two or more parties join in business. The people involved are usually co-owners of a single business enterprise.

What are the names and IRD numbers of the persons party to the above joint venture/partnership?

Project identifier	Party name	IRD number	IRD not known	Share of eligible expenditure	Interest in this group (%)
			<input type="checkbox"/>	\$	%

1 Add at least one entry to the persons party to the joint venture table to continue.

Associated persons

You'll need to confirm if any associated persons have or intend to claim R&D tax credits for the same projects you are claiming for.

[Home](#) > [R&D supplementary return](#)

Project information ✓ > [3](#) Core activities ✓ > [4](#) Supporting activities ✓ > [5](#) Joint ventures/partnerships ✓ > **6 Associated persons** >

Associated persons

test

[Hide details](#) ^

IRD number:

Filing period: 31-Mar-2020

Associated persons

Do you have any associated person(s) who have claimed, or intend to claim, R&D tax credits for the income year?

*

i The associated persons rules in the Income Tax Act 2007 ensures taxpayers cannot use people or entities they are connected with to get a tax benefit. The rules define associated persons which includes relatives, companies, trustees and beneficiaries, partners and partnerships, and other persons. A person is generally associated with another party when a relationship or sufficient amount of influence exists between them, and they can be considered a single economic entity. The rules also apply to specific circumstances, for example, two entities may be associated with each other because they are associated with the same third party. If you are unsure whether someone claiming a research and development tax credit is an associated person, review our guidance on [associated persons definitions](#) or consult a tax advisor.

Expenditure

The total combined expenditure from all your projects will prepopulate on this screen. You'll need to declare that it is all correct and only for eligible R&D expenditure.

[Home](#) > [R&D supplementary return](#)

3) [Core activities](#) ✓ > 4) [Supporting activities](#) ✓ > 5) [Joint ventures/partnerships](#) ✓ > 6) [Associated persons](#) ✓ > 7) **Expenditure** >

Expenditure

test

Hide details ^

IRD number:

Filing period: 31-Mar-2020

Total R&D expenditure on all projects

1. Employee-related costs	\$	0.00
2. R&D contractor payments	\$	0.00
3. Approved research provider payments	\$	0.00
4. Eligible R&D Tax depreciation	\$	0.00
5. Materials, consumables and overheads	\$	0.00
6. Any other expenditure	\$	0.00
Total expenditure from all projects	\$	0.00

Total eligible R&D expenditure

Total foreign expenditure (ignoring the cap)	\$	0.00
Eligible foreign expenditure (applying the cap)	\$	0.00
Total eligible New Zealand R&D expenditure	\$	0.00
Total eligible expenditure before internal software development cap	\$	0.00
Eligible internal software development expenditure without the cap	\$	0.00
Eligible internal software development expenditure with the cap	\$	0.00
Total eligible expenditure	\$	0.00

Confirmation

☐ I declare that the expenditure in this return was incurred on R&D activities that both the expenditure and R&D activities meet the R&D tax credit requirements set out in the Income Tax Act 2007.

Save draft

Cancel

< Previous

Next >

R&D credits

In this section you'll confirm if you're part of a group of companies and if you meet the requirements to have your R&D tax credits refunded. A total of your R&D tax credits will be prepopulated based on your expenditure.

Home > R&D Tax Incentive > 31-Mar-2020 > R&D supplementary return

iation ✓ > 3 Core activities ✓ > 4 Supporting activities ✓ > 5 Associated persons ✓ > 6 Expenditure ✓ > 7 R&D credits >

R&D credits

test

IRD number: Filing period: 31-Mar-2020

Hide details ^

Wage intensity

Are you considered to be part of a group of companies? Yes No

Do you meet the eligibility requirements for a refund of your R&D tax incentive? Yes No

To receive a refund, you must be in tax loss, or have more tax credits than tax to pay. You must meet corporate eligibility requirements and R&D wage intensity requirements.

To meet the corporate eligibility requirements, you must be a company and a tax resident of New Zealand. You must not:

- be listed on a recognised exchange
- be treated as tax resident of another country under a double tax agreement
- have 50% or more of your shares held by a public or local authority, Crown Research Institute or state enterprise
- derive exempt income other than from certain dividends or be associated with anyone who derives exempt income.

If you meet the eligibility requirements you will be asked for information related to your R&D wage intensity. Find out more [here](#).

Tax credits

Total eligible R&D expenditure	\$ 0.00
R&D expenditure rate	15.00 %
Total R&D credits available	\$ 0.00
R&D wage intensity 20% or more (eligible for refund)	No
Total refundable R&D Tax Incentive credits	\$ 0.00
Total non-refundable R&D Tax Incentive credits	\$ 1,500.00

Save draft Cancel

< Previous Next >

The information in this document was current at the time of publication.

ird.govt.nz

Labour expenditure

This section will display if you select **Yes** to **Do you meet the eligibility requirements for a refund of your R&D tax incentive?**. If you're part of a group of companies, the headings will change from displaying company to group.

Labour expenditure for company

Total amount of contractor R&D excluding GST x 66%	\$ 0.00
Amount of salary or wages paid to employees	\$ 0.00
Amount paid to shareholder-employees	\$ 0.00
Total labour expenditure	\$ 0.00

ⓘ Labour expenditure for company refers to the combined total labour expenditure including and excluding labour expenditure related to R&D.

R&D labour expenditure for company

Total amount of contractor R&D excluding GST x 66%	\$ 0.00
Amount of salary or wages paid to employees for R&D	\$ 0.00
Amount paid to shareholder-employees for R&D	\$ 0.00
Total R&D labour expenditure	\$ 0.00
Company R&D wage intensity	0.00 %

ⓘ R&D labour expenditure for company refers to only the labour expenditure related to R&D. This excludes any other labour expenditure.

Tax credits

Total eligible R&D expenditure	\$ 0.00
R&D expenditure rate	15.00 %
Total R&D credits available	\$ 0.00
R&D wage intensity 20% or more (eligible for refund)	No
Total refundable R&D Tax Incentive credits	\$ 0.00
Total non-refundable R&D Tax Incentive credits	\$ 0.00

Save draftCancel

PreviousNext

If your wage intensity is above 20%, you'll get the following fields to complete.

Tax credits

Total eligible R&D expenditure	\$ 0.00
R&D expenditure rate	15.00 %
Total R&D credits available	\$ 0.00
R&D wage intensity 20% or more (eligible for refund)	Yes
Maximum R&D credits available to be cashed out	\$ 0.00
Would you like a full refund?	<div>YesNo</div>
How much would you like to be refunded?	\$ 0.00
Total refundable R&D Tax Incentive credits	\$ 0.00
Total non-refundable R&D Tax Incentive credits	\$ 0.00

Save draftCancel

PreviousNext

Performers of approved research

If your total R&D expenditure is below \$50,000 you'll be asked to enter details of any approved research provider you have used.

[Home](#) > [R&D Tax Incentive](#) > [R&D supplementary return](#)

[Businesses/partnerships](#) ✓ > [6 Associated persons](#) ✓ > [7 Expenditure](#) ✓ > [8 R&D credits](#) ✓ > [9 Performers of approved research](#) >

Performers of approved research

test

Hide details ^

IRD number: Filing period: 31-Mar-2020

Performers of approved research

Enter information about any approved research providers used into the tables below.

Approved research providers

Filter

IRD number	Name of approved research provider
<input type="text"/>	<input type="text"/>

i Add at least one approved research provider to continue.

Save draft

Cancel

< Previous

Next >

An option to **add attachments** to your return will be displayed after this section.

Evaluation

This section helps to evaluate the R&D Tax Incentive regime and also gives you the option of giving further feedback.

[Home](#) > [R&D Tax Incentive](#) > [R&D supplementary return](#)

5 ✓ > 7 Expenditure ✓ > 8 R&D credits ✓ > 9 Performers of approved research ✓ > 10 Attachments ✓ > 11 Evaluation >

Evaluation

test

[Hide details ^](#)

IRD number:

Filing period: 31-Mar-2020

R&D Tax Incentive evaluation

Responses to this part will be used to evaluate the regime in accordance with section LY10 of the Income Tax Act 2007. No shortfall penalties or interest will apply to any responses provided in this section.

Historical R&D expenditure

Based on the information available to you, please provide an estimate of your R&D expenditure in the prior income year

The source of this figure is

Ineligible expenditure on R&D

In the last financial year, did the business develop or introduce any new or significantly improved:

- Good or services
- Operational processes
- Organisational or managerial processes
- Marketing methods

*

Did you incur expenditure on something you think should qualify as R&D for the R&D Incentive that was not approved?

*

How much did you incur?

Follow-up survey

Do you want to give us further feedback?

*

[Save draft](#)

[Cancel](#)

[< Previous](#)

[Next >](#)

If you select **Yes** to **Do you want to give us further feedback?**, the following information will display.

Innovation outputs

In the past income year, did your R&D activities lead to any applications for intellectual property protected by patents, copyrights, trademarks or registration of design?

*

In the past income year did you develop any new or improved goods or services that were supported by the R&D incentive?

*

Are you OK with us contacting you with a follow-up survey for evaluation purposes?

*

Save draft

Cancel

< Previous

Next >

If you select **Yes** to **In the past income year did you develop any new or improved goods or services that were supported by the R&D incentive?** further questions will display.

Please estimate the percentage of sales for this business that came from these new or significant improved goods or services:

- ☐ 0%
- ☐ 1-10%
- ☐ 11-30%
- ☐ 31-100%
- ☐ Don't know

i You must select an option

What proportion of your business's sales from goods and services do you estimate came from exports this income year?

*Required %

Are you OK with us contacting you with a follow-up survey for evaluation purposes?

*

Save draft

Cancel

< Previous

Next >

Review

This is the last section of the R&D supplementary return. It gives you the chance to confirm everything is correct again before you submit your return.

[Home](#) > [R&D Tax Incentive](#) > [R&D supplementary return](#)

[Expenditure](#) ✓ > [8 R&D credits](#) ✓ > [9 Performers of approved research](#) ✓ > [10 Attachments](#) ✓ > [11 Evaluation](#) ✓ > **12 Review**

Review

test

Hide details ^

IRD number: Filing period: 31-Mar-2020

Total R&D expenditure on all projects

Total expenditure from all projects	:	\$0.00
Foreign expenditure above the eligible cap	:	\$0.00
Software development expenditure above the eligible cap	:	\$0.00
Total eligible expenditure	:	\$0.00

Total tax credits

Total eligible R&D expenditure	:	\$0.00
R&D expenditure rate	:	15.0%
Total R&D credits available	:	\$0.00
Maximum R&D credits available to be cashed out	:	\$0.00
How much would you like to be refunded?	:	\$0.00
Total non-refundable R&D Tax Incentive credits	:	\$0.00
Total refundable R&D Tax Incentive credits	:	\$0.00

Save draft

Cancel

< Previous

Submit



ird.govt.nz

Go to our website for information and to use our services and tools.

- **Log in or register for myIR** - manage your tax and entitlements online.
- **Calculators and tools** - use our calculators, worksheets and tools, for example, to check your tax code, find filing and payment dates, calculate your student loan repayment.
- **Forms and guides** - download our forms and guides.

Forgotten your myIR user ID or password?

Request these online from the myIR login screen and we'll send them to the email address we hold for you.

[New Zealand Government](#)