



Inland Revenue
Te Tari Taake

IR7G
March 2025

Partnership and look-through company (LTC) return guide 2025

Read this guide to help you fill in your IR7 return.

Complete and send us your IR7 return by 7 July 2025,
unless you have an extension of time to file.

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

Contents

ird.govt.nz	2
How to get our forms and guides	2
Introduction	4
Who must complete an IR7 return	4
Return due date	4
Business industry classification (BIC) code	4
Has the partnership or LTC ceased?	5
Nil returns	5
Questions	6
Q 10 Schedular payments	6
Q 11 New Zealand interest	6
Q 12 New Zealand dividends	8
Q 13 Māori authority distributions	9
Q 14 Income from another partnership	11
Q 15 Income from another LTC	11
Q 16 Overseas income	13
Q 17 Business income	16
Q 18 Income and expenses from residential property	17
Q 19 Interest incurred from residential property	23
Q 20 Other rental activities income	26
Q 21 Income from taxable property sales or disposals	26
Q 22 Other income	27
Q 24 Expenses	30
Q 26 Deduction for losses extinguished on transition from a QC or LAQC	30
Q 27 Attribution of income/loss	32
Completing your IR7L or IR7P	33
Example 1	
Loss limitation rule no longer applies - owner with previously non-allowable deductions	35
Example 2	
LTC loss limitation rule - current year non-allowable deductions only	39
Example 3	
LTC loss limitation rule - with non-allowable deductions brought forward	43
Q 28 Additional disclosure of foreign investments	53
ACC levies	54
Services you may need	55
Need to speak with us?	55
0800 self-service number	55
Postal addresses	55
Privacy	56
If you have a complaint about our service	56

Introduction

Who must complete an IR7 return

Every partnership or look-through company (LTC) must complete an IR7 return showing their total income after expenses and attach either the **Partnership income/loss attribution - IR7P** or the **Look-through company (LTC) income/loss attribution - IR7L**.

The partnership or LTC is not assessed for tax, but each partner or owner is liable for tax on their share of income from the partnership or LTC.

Each partner or owner must complete an income tax return showing all income, including their share from the partnership or LTC.

Return due date

If the partnership or LTC has a 31 March balance date, you have until 7 July 2025 to send in the return, unless you've been granted an extension of time. If you have an agent or a balance date other than 31 March this date may be different.

Business industry classification (BIC) code

We're lawfully required to supply the Accident Compensation Corporation (ACC) with a code for your business or trading activity, for levy classification and calculation.

If your BIC code is not preprinted on the return or is different from the preprinted one, please enter the correct code.

To work out your main business or trading activity and its code, go to **businessdescription.co.nz** or call ACC on 0508 426 837.

It's important that you choose the code which most accurately reflects your main business or trading activity.

Please provide the code only. Do not provide a description.

Has the partnership or LTC ceased?

If this is the final return, include a set of accounts (if required) up to the date the partnership or LTC ceased. Also include details of any distribution of assets and liabilities.

If the partnership or LTC is registered for GST or as an employer, you will also need to complete a **Business cessation - IR315** form to finalise your records.

Depending on the partnership's or LTC's circumstances, other issues may also need to be finalised, for example outstanding returns and/or arrears.

Find out how to finalise the partnership's or LTC's tax accounts or deregister for GST at ird.govt.nz

Note

An LTC is still a legal entity until it's taken off the Companies Register. An LTC can stop trading but still have tax obligations, for example completing returns.

Nil returns

Every partnership and LTC must complete an income tax return, whether or not it has been active. If there is no gross income to declare, losses to claim, and no disclosures to make at Question 28 (read page 53) you can complete a nil return. Complete the return up to Question 9 and sign the declaration at Question 29.

For more information on look-through company rules, read our **Look-through companies - IR879** guide.

Questions

Question 10 Schedular payments

If the partnership or LTC has received schedular payments, we'll send you a Summary of income, detailing the payments received and the tax deducted.

From your Summary of income, copy the total tax deducted into Box 10A and gross payments into Box 10B.

The Summary of income may not contain all your earnings information. If any details are missing, please include them at Question 10.

If the partnership or LTC is registered for GST, your gross schedular payments should not include any GST. If they do, show the gross payments at Question 10 and deduct the GST portion at Question 24.

Question 11 New Zealand interest

Include interest from all New Zealand sources at Question 11.

The interest payer will usually send you an **RWT withholding certificate - IR15**, showing the gross interest paid and the amount of RWT deducted.

Write the total of all RWT deducted in Box 11A.

Add up all the gross interest amounts (before the deduction of any tax) and write the total in Box 11B.

Note

If expenses are deductible against the interest income (for example commission), claim them at Question 24. Read the note about expenses on page 31.

Do not send us interest statements or IR15 certificates with the return. Keep these in case we ask for them later.

Interest on broken term deposits

If you've broken a term deposit during the year, you may have to account for "negative interest". This is interest repaid on a term deposit and may reduce the amount of interest to declare in your return.

If the term deposit was broken in full, or it was business related, deduct the negative interest from the gross interest shown on the IR15 or equivalent statement.

Deduct the allowable negative interest component, using the worksheet below, before entering the gross amount at Question 11 of your return. In all other cases, the negative interest is deductible in a later return when the term deposit matures.

Worksheet

Copy your gross interest from your RWT on interest form to Box 1.

1 ▶

\$.

Print any negative interest you've paid in Box 2.

2 ▶

\$.

Subtract Box 2 from Box 1 and print the answer in Box 3.

3 ▶

\$.

Copy this amount to Box 11B of your tax return.

Interest paid or charged by Inland Revenue

If we paid you interest, include it in Box 11B for the income year the partnership or LTC received the interest.

If the partnership or LTC paid us interest, include it as a deduction in Box 24 of the return for the income year the interest is paid. Read about expenses on page 31.

Interest from overseas

If the partnership or LTC received interest from overseas, convert your overseas interest and tax credits to New Zealand dollars and show the amounts at Question 16. Please read the notes about overseas income on pages 13 to 16.

Income from financial arrangements

If the partnership or LTC was a party to a financial arrangement, such as government stock, local authority stock, mortgage bonds, futures contracts or deferred property settlements, you may have to calculate the income or expenditure from the financial arrangement using a spreading method, rather than on a cash basis. To work out if you must use a spreading method, please read Financial arrangements on pages 29 to 30.

If the financial arrangement matures, is sold, remitted or transferred, you must do a "wash-up" calculation known as a base price adjustment.

Any RWT will be deducted on a cash basis. Show the RWT deducted and any income from the financial arrangement in Boxes 11A and 11B.

Question 12 New Zealand dividends

Dividends are the part of a company's profits that it passes on to its shareholders. Unit trusts are treated as companies for income tax purposes. Distributions from unit trusts will generally be taxable and are treated as dividends.

Complete Question 12 if you received any New Zealand dividends, including dividends from your local electricity or gas supplier. Do not include a dividend that's a distribution of the trust's capital and is tax free. The company or unit trust that paid you the dividend will send you a dividend statement.

Do not send us any dividend statements with the return. Keep these in case we ask for them later.

Note

If expenses are deductible against the dividend income (for example commission), claim them at Question 24. Read the note about expenses on page 31.

Credits attached to dividends

A New Zealand company or unit trust may attach several types of credits to dividends.

Imputation credits are credits for part of the tax the company has already paid on its profits, which means the dividends are not taxed twice.

RWT is deducted from your dividend to bring the total credits withheld up to 33% of the gross dividend.

What to show in your return

Your dividend statements show the amount:

- you received (net dividend)
- of any imputation credits, and
- of any RWT credits.

Add all these amounts together to work out your total gross dividends and enter this in Box 12B.

Add up all the imputation credits and print the total in Box 12. Add any dividend RWT credits and print the total in Box 12A.

Shares instead of dividends

If the partnership or LTC received shares instead of dividends, include them as income at Question 12. Write the amount as if you received dividends instead of shares.

Dividends from overseas

Please read about overseas income on pages 13 to 16 of this guide.

Question 13 Māori authority distributions

Māori authorities can make various types of distributions.

Fill in Question 13 if you received any taxable Māori authority distributions. The Māori authority that paid you the distribution will send you a Māori authority distribution statement.

Credits attached to distributions

The Māori authority may attach a credit to the distribution it makes to members. This credit will be classified as a Māori authority credit and is part of the tax the Māori authority has already paid on its profits, so the distributions are not taxed twice.

What to show in your return

Your Māori authority distribution statement shows the amount of:

- the distribution made to you, including the taxable portion and the non-taxable portion, and
- Māori authority credit.

Transfer these amounts, leaving out any non-taxable distributions, to the relevant boxes at Question 13.

Example

A Māori authority makes a pre-tax profit of \$10,000. It pays tax on this profit of \$1,750 (Māori authority tax rate of 17.5%) and distributes the entire profit to their 10 members. Each member will receive \$825 as a cash distribution and \$175 of Māori authority credits.

Each member of the authority liable to complete an IR7 return would show the following information at Question 13:

Box 13A - \$175

Box 13B - \$1,000 (made up of \$825 + \$175)

Non-taxable distribution

You do not need to include in the IR7 return any other distributions received from a Māori authority that are not taxable in the hands of a Māori authority member. These amounts are non-taxable distributions and cannot have credits attached.

For more information read our **Māori authority guide - IR487**.

Question 14 Income from another partnership

If the partnership or LTC received any income or loss from another partnership, write the details at Question 14.

Do not include any:

- interest and RWT - show these at Question 11
- dividends, imputation credits, and dividend RWT - show these at Question 12
- Māori authority distributions and credits - show these at Question 13
- overseas income and any credits attached - show these at Question 16, see pages 13 to 16
- income and expenses from residential property including rental and bright-line income - show these at Question 18, see page 17
- other rental income - show this at Question 20, see page 26
- taxable property sales or disposals - show these at Question 21, see page 26
- other income - show this at Question 22, see page 27.

Add up all the other income from partnerships and include the total in Box 14B. If a loss, put a minus sign in the last box.

Add up any other tax credits and include the total in Box 14A.

Question 15 Income from another LTC

If the LTC received income from another LTC, write the details at Question 15.

Note

A partnership does not receive income or deductions from an LTC. If 2 or more people jointly receive income or deductions from an LTC, they should show these on their own returns, not the partnership's return.

LTCs are transparent (looked through), meaning the owners are treated as having received the income and incurred the loss of the company.

The LTC will normally supply the information required to complete your return.

Do not include any of the following types of income received from another LTC at Question 15:

- interest and RWT - show these at Question 11
- dividends, imputation credits, and dividend RWT - show these at Question 12
- Māori authority distributions and credits - show these at Question 13
- overseas income and any credits attached - show these at Question 16, see pages 13 to 16
- income and expenses from residential property including rental and bright-line income - show these at Question 18, see page 17
- other rental income - show this at Question 20, see page 26
- taxable property sales or disposals - show these at Question 21, see page 26
- other income - show this at Question 22, see page 27.

Change to the loss limitation rule

This rule limits the amount of deductions an owner can claim to the amount of their owner's basis, which represents their economic interest in the LTC.

The loss limitation rule no longer applies to most LTC owners. It continues to apply for owners of LTCs that are in a partnership or joint venture that includes another LTC.

What to show in your return

Add up all the other income from LTCs and include the total in Box 15B. If a loss, put a minus sign in the last box.

Add up any other tax credits and include the total in Box 15A.

Add up any non-allowable deductions this year from LTCs and include the total in Box 15C.

Note

There should not be non-allowable deductions this year unless the loss limitation rule still applies.

If you had any non-allowable deductions brought forward from last year, you may be able to claim some, or all, of the brought forward amount this year. Print the amount claimable in Box 15D prior years' non-allowable deductions claimed this year.

If you have an amount in Box 15C, add this to Box 15B and put the total in Box 15E.

If you have an amount in Box 15D, subtract this from Box 15B and put the total in Box 15E.

If you do not have any amounts in Box 15C or Box 15D, copy the amount from Box 15B into Box 15E.

Box 15E is your adjusted LTC income.

Question 16 Overseas income

If the partnership or LTC received overseas income, for example from interest or financial arrangements, show this at Question 16.

Convert all overseas income and qualifying overseas tax paid to New Zealand dollars. You can do this by:

- using the rates available on ird.govt.nz/tools-calculators
- contacting the overseas section of a trading bank and asking for the exchange rate for the day you received your overseas income.

Tax paid overseas is distributed to the partners or owners and the tax credit limit is calculated on the partner's or owner's income tax return. Keep evidence of overseas tax paid with your tax records for 7 years. For more information about foreign tax credits read **A guide to foreign investment funds and the fair dividend rate - IR461**.

If the income was received from a financial arrangement, please read our **Tax Information Bulletin (TIB), Vol 20, No 3 (April 2008)**.

Overseas dividends

There are 2 situations covering the treatment of overseas dividends. Each owner or partner will need to determine which of the following applies to their share of foreign investments:

- If the shares have FIF income or loss calculated, do not include any dividends paid from these shares on the IR7 return. Instead, show the calculated FIF income or loss at Box 16B.
- If the shares are covered by 1 of the FIF exclusions (see page 15), show the dividends at Box 16B.

Each owner or partner will need to advise their individual amount of either the FIF income or loss (or their FIF calculation method) or the dividend, to be included on the IR7 return. Show each owner's or partner's individual amount, plus any other allocation of overseas income, at Box 16B on the IR7 return and at Box 27F on the IR7L or IR7P form - see page 33. This information is also used in determining the income amount at Box 4 on page 38 of this guide.

In either situation, include any qualifying overseas tax credits attached to the dividends at Box 16A. Some Australian dividends can have New Zealand imputation credits attached. Include these at Box 12. **Note you cannot claim Australian franking credits.**

If the partnership or LTC received dividends from an overseas company through an agent or trustee who deducted RWT in New Zealand or dividends treated as interest, show the New Zealand RWT deducted at Box 12A.

Note

If you've shown an imputation credit in Box 12 or an RWT credit in Box 12A and there is no income associated to these in Box 12B, you'll need to attach a note to the top of page 3 of your return with the details.

Foreign investment fund (FIF) income or loss

If at any time during the 2024 income year the partnership or LTC held rights like shares, units or an entitlement to benefit in any foreign company, foreign unit trust, foreign superannuation scheme or foreign life insurance policy, the partners or owners may be required to calculate FIF income or loss in their own income tax returns.

Generally, the partners or owners will use the fair dividend rate to calculate FIF income. The partners or owners may also need to complete an additional FIF disclosure form. See Question 28 on page 53.

The main exclusions from an interest in a FIF are:

- investments in certain Australian resident companies listed on approved indices on the Australian stock exchange, that maintain franking accounts. Investments covered in the list are available in the **Australian share exemption list - IR871**
- interest in certain Australian unit trusts
- limited exemptions for interest in certain venture capital interests that move offshore (for 10 income years from the income year in which the company migrates from New Zealand)
- a 10% or greater interest in a CFC
- an individual or trustee of certain trusts, who is a partner or owner and holds, at all times in the income year, FIFs with a total cost of \$50,000 or less.

You can find more information on the exclusions and the FIF rules at ird.govt.nz/foreign-investment-funds and in our **Tax Information Bulletins (TIBs)** - see the online index for relevant issues.

Controlled foreign company (CFC) income or loss

If at any time during the 2025 income year the partnership or LTC has attributed CFC income or loss, the partners or owners may be required to calculate this in their own income tax returns.

A loss from a CFC cannot be used to offset domestic income or be included in domestic losses that are carried forward to the 2025 income year. Generally, these losses

can only offset income or future income from CFCs that are resident in the same country as the CFC that incurred the loss.

The partners or owners may also need to complete an additional CFC disclosure form. See Question 28 on page 53.

Question 17 Business income

Write the net profit or loss in Box 17B. This is the amount of income or loss after deducting all allowable business expenditure. If this is a loss, put a minus sign in the last box. Refer to our **Smart business - IR320** guide for information on allowable business expenditure and record keeping.

Attach 1 of these to the top of page 3 of your return:

- a set of the partnership's or LTC's financial accounts
- a completed **Financial statements summary - IR10** form
- a completed **Farming income - IR3F** form, or **Schedule of business income - IR3B** form.

If you complete an IR10, which speeds up the processing of the return, you do not need to send us your financial accounts as well, but keep them in case we ask for them later.

Attribution rule

Anyone who provides services and puts an intermediary between themselves and the recipient of the personal service has income earned allocated to them, not the intermediary.

If this rule applies to persons associated to your partnership or LTC, it will affect the amount of taxable income in this return.

When applying the attribution rule, LTCs are treated as associated entities and not as being transparent.

To find out how to apply this rule, please read our **Tax Information Bulletins (TIBs), Vol 12, No 12 (December 2000), Vol 13, No 11 (November 2001), and Vol 21, No 8 Pt 2 (October/November 2009)**.

If you need more information, contact us - see page 55.

Question 18 Income and expenses from residential property

This question applies to owners of residential property, including overseas property, that have:

- income subject to the residential property deduction rules
- net income (profit) from a bright-line sale
- income in relation to a loan in a foreign currency
- depreciation recovery income from disposed assets
- net income from the taxable disposal of a residential property outside the residential property deduction rules because it is held on revenue account.

Residential property deduction rules

Most residential rental properties are subject to the residential property deduction rules (also known as the ring-fencing rules). The rules generally limit the amount of residential deductions you can claim in the year to the total amount of residential income earned in that year.

If the deductions are more than your income, the difference must be carried forward to the next year you earn income from the residential property, including income from properties held on revenue account.

The residential property calculations are made at the partner or owner level as they may have other residential income and deductions that need to be included.

Any rental income or loss and net income or loss from a taxable disposal is fully excluded from the rules if the property is:

- the main home
- subject to the mixed-use asset rules (for example, a holiday home rented out part-time and not used for at least 62 days in the income year, or 62 working days in the income year if it's usually only used on working days), or
- owned by companies other than close companies, or
- owned by government enterprises, or
- certain employee accommodation.

For these types of property, any rental income or loss is shown at Box 20B and net income or net loss from a taxable disposal shown in Box 21B.

Any rental net loss and net loss from a taxable disposal is partially excluded from the rules if it is for:

- property that will always be taxed on sale, being revenue account property of a person in the business of building, developing or dealing in land, or
- other revenue account property the person has notified us they want the exclusion to apply to.

For these types of property any rental net loss is shown at Box 20B and taxable disposal net loss shown at Box 21B.

The residential property deduction rules also apply to a partnership or LTC that has borrowed money to acquire an interest in certain entities that have significant rental property holdings - a residential land-rich entity - and has interest expenditure on the borrowed money.

Residential land-rich entity - a close company, partnership or look-through company that holds more than 50% of its assets by value in residential land, directly or indirectly. These entities come under the interposed entities rules as part of the residential property deduction rules.

For more information about the interposed entity rules, see page 60 of the **Tax Information Bulletin Vol 31 No.8 September 2019**.

Read our **Rental income - IR264** guide for more information on:

- when the rules apply
- how to calculate your income
- the amount of deductions you can claim this year, and
- the amount of any excess deductions that must be carried forward.

Completing your return

Tick the method you have used to calculate your residential property income and deductions.

You can use 1 of the following methods:

- **Portfolio** basis - combine income and deductions for all rental properties in the portfolio.
- **Individual**, property-by-property basis - income and deductions of individual property calculated separately to other property. You need to maintain separate records for each property to choose this option.
- **Combination** of the individual basis and portfolio basis - choose to apply different methods to different property. Some properties are held in a portfolio and others are held on an individual basis.

For a partnership most of the calculations for excess rental deductions are made in the partners' return. The partnership needs to provide sufficient information for the partners to complete their return correctly. If a partner wants to use the individual method the partnership needs to maintain separate records for each rental property and pass each property's details to the partner.

For an LTC, the owners need to complete their return using the same method chosen by the LTC for their share of the income and deductions. An owner can choose a different method for other rental properties they own.

Example

An LTC uses the portfolio method. The portfolio was loss-making overall, so any shareholder who directly holds other residential properties subject to the ring-fencing rules can include those other properties as part of the portfolio. They can then use their share of the deductions that flow through from the LTC against their total residential income. This includes their residential income from the LTC and any other residential income they derive.

Example

An LTC uses the individual property basis. The shareholders must also use this method in their own returns. So, if residential deductions for the property exceed the residential income from the property, the shareholder can only use their share of the deductions up to their share of the income from the property. Their excess deductions cannot be used against residential income from a property they own directly.

The Residential property deductions worksheets - IR1226 can be used to help calculate the figures required to be entered in your return. You can print a copy off our website ird.govt.nz/forms-guides

Write the total gross residential rental income from the portfolio and/or individual property in Box 18B.

Box 18C Net bright-line profit

The bright-line test needs to be considered when none of the other land taxing rules at Question 21 apply to the disposal of the property.

The bright-line test taxes profit made on the sale of residential property (including overseas property) when it is sold within a certain period of time (bright-line period) and no exclusions or rollover relief apply. Your intention or purpose for purchasing or selling the property is not relevant.

For property sold on or after 1 July 2024, the bright-line test looks at whether your bright-line end date for the property is within 2 years of your bright-line start date.

For a standard purchase of property, the bright-line period starts from the date the property's title is transferred to you (generally the settlement date). For a standard sale, the bright-line period ends when you enter into a binding sale and purchase agreement to sell the property. Different rules apply for other types of purchase (for example, off the plans) and for other types of sale or disposal (for example, when property is gifted).

For property sold before 1 July 2024, the sale will come under the bright-line test if the following apply:

- You acquired the property on or after 29 March 2018
- You are selling it within 5 years or before 1 July 2024 (whichever comes first).

Generally, the bright-line test does not apply to a sale of business premises or farmland. Rollover relief is available for certain types of ownership transfers.

If the sale of the property is taxable under the bright-line test, any interest previously denied under the interest limitation rules is treated as if it were part of the cost of the property in the year of sale.

For more information about the bright-line test, go to:

- ird.govt.nz/bright-line
- **Bright-line property tax - IR1229** for property sold from 1 July 2024
- **Bright-line property tax - IR1227** for property sold before 1 July 2024.

You can find our forms and guides at ird.govt.nz/forms-guides

You can also use the **Property tax decision tool** on our website to work out if you need to pay tax on the sale of your property. Go to ird.govt.nz/bright-line

Completing your return

Income and losses for property taxable under the bright-line test are treated differently in your income tax return.

Include your share of the net income (profit) from the sale of the property in Box 18C.

If you have a bright-line loss, do not include it in your income tax return. Instead keep your own record of all your bright-line losses. The loss must be carried forward to a later income year where it can be used to offset income from other taxable land sales, including bright-line.

Complete a **Bright-line property sale information - IR833** form for each bright-line property sold or disposed of and include it with your return. The form explains how to calculate the resulting profit or loss.

Complete the form even if the details have been included in a **Financial statements summary - IR10** or set of accounts, unless the income will be included in your return as part of your business income as a property speculator, property dealer, developer or builder.

Box 18D Other residential income

Write the other residential income in Box 18D. This includes the total from the following amounts:

- income in relation to a loan denominated in a foreign currency from the portfolio and/or individual property
- all depreciation recovery income from assets disposed of from the portfolio and/or individual property
- net income from the taxable disposal of a residential property outside the residential property deduction rules because it is held on revenue account.

Box 18E Total combined residential income

The amount in Box 18E is the total amount of Box 18B, Box 18C and Box 18D.

Box 18F Residential rental deductions

Write the total eligible deductions for the year for all ring-fenced residential rental properties in Residential rental deductions Box 18F.

Note

Do not include the amount of interest expense denied under the interest limitation rules in Box 18F.

If you have an investment in a land rich entity, include:

- interest relating to the residential rental activity that is deductible under the interest limitation rules in Box 18F
- the amount of interest paid that does not relate to the residential rental property in Box 20B.

Note

The partners or owners share of the Total combined residential income and Residential rental deductions are shown in Boxes 27G and 27M on the IR7P or IR7L.

For more information read the **Rental income - IR264** guide.

Question 19 Interest incurred from residential property

This question applies to owners of residential property subject to the interest limitation rules.

You do not need to complete this question for the following types of property:

- farmland
- hospitals, hospices, convalescent homes, nursing homes
- rest homes and retirement villages
- hotels, motels, inns, camping grounds, hostels.

For interest to be deductible, the general deductibility rules must be met. The interest will also not be deductible to the extent it is of a private or domestic nature.

The interest limitation rules restrict the ability to claim interest as a deduction for residential property in New Zealand, unless an exclusion or exemption applies (see below).

For the 2025 tax year, you can claim 80% of the interest incurred from 1 April 2024 to 31 March 2025. This is regardless of when the property was acquired or when the loan was drawn down.

Completing your return

Complete question 19 for any interest expense you are claiming in this income tax return at Boxes 18F and 20B in relation to a house, apartment, flat or other structure that could be used for residential accommodation, either short stays or long term. This includes if you have an arrangement to build such a structure, and bare land that

could be used to build such a structure under the relevant district plan.

Write the total interest on residential property in Box 19A. This is the total interest incurred on your borrowings for all your residential properties for this year. If you are using an IR3R form to prepare a summary for each rental property, this is the total of all the 7A Boxes.

Write the amount of interest expense claimed in Box 19B. If you are using an IR3R form to prepare a summary for each rental property, this is the total of all the 7B Boxes.

Note

The partners' or owners' share of Boxes 19A and 19B is included in their income tax returns in proportion to their share in the partnership or effective look-through interest in the LTC.

If you have claimed an interest expense in Box 19B, at Box 19C tick the reason(s) for the interest expense claimed:

- **A Māori exempt company or not a residential land company** - The interest limitation rules do not apply to non-close companies or groups if less than 50% of its total assets consist of residential property (excluding development property but including shares in other companies that exceed this 50% test) at all times during the income year. A close company that is a Māori authority, eligible to be a Māori authority, or wholly-owned by an entity that is a Māori authority or eligible to be one is an exempt Māori company if it passes this 50% test.
- **Certain schedule 15 exclusions or property not in NZ** - The interest limitation rules apply to land in New Zealand only. Schedule 15 of the Income Tax Act 2007 also allows you to claim interest for the following:
 - main home – if a portion is used to earn income such as a flatting situation
 - business premises (for example, a villa now used as a dental clinic) except if the business premises is used for providing accommodation and it's not a person's main home

- certain Māori land, papakāinga and kaumātua housing, and land transferred as part of settlement under Te Tiriti o Waitangi/Treaty of Waitangi
- employee accommodation
- student accommodation.
- **Phasing of interest** - When an exclusion or exemption does not apply, you can claim 80% of the interest incurred.
- **Emergency, transitional, social or council housing** - You can claim interest for loans if your property is used for emergency, transitional or social housing when leased or contracted (directly or indirectly) to the Crown, for example to Te Tūāpapa Kura Kāinga - the Ministry of Housing and Urban Development (HUD) or Kāinga Ora, or to a registered community housing provider.
- **New build exemption** - A 'new build' is a self-contained residence that is issued a Code Compliance Certificate (CCC) under the Building Act 2004, confirming the residence was added to the land on or after 27 March 2020. For more information about what qualifies as a new build go to ird.govt.nz/property/renting-out-residential-property or our guide **Rental income - IR264**.
- **Development or land business exemption** - The development exemption does not require you to have a 'land business' and applies to land that you develop, subdivide, or build on to create a new build. The development may be a one-off. The land business exemption applies to land held as part of a developing, subdividing, or land-dealing business, or a business of erecting buildings on land.
- **Approved build-to-rent exclusion** – This applies to land that meets the criteria of build-to-rent land and is approved by Te Tūāpapa Kura Kāinga - Ministry of Housing and Urban Development (HUD). You can claim interest for loans if your property is recorded on the build-to-rent asset register maintained by HUD.

For more information about the interest limitation rules and how to calculate the amount of interest you can claim, go to ird.govt.nz/property-interest-rules or our guide **Rental income - IR264**. You can find our forms and guides at ird.govt.nz/forms-guides

Question 20 Other rental activities income

Write the net profit or loss (total rents minus expenses) in Box 20B. If this is a loss, put a minus sign in the last box. Only include net residential rental income or losses not covered by the residential property deduction rules such as commercial rental income. Do not include any residential rental income already included at Question 18.

Attach 1 of these to the top of page 3 of your return:

- a set of the partnership's or LTC's financial accounts
- a completed **Financial statements summary - IR10** form, or
- a completed **Rental income - IR3R** form.

Question 21 Income from taxable property sales or disposals

Include all income and tax losses from land sales or disposals of other property not included at Question 18.

Profits from land sales are taxable if you bought a property (including an overseas property) for the purpose of reselling it or are in the business of buying and selling land and/or buildings.

The profits may also be taxable if the partnership or LTC:

- is a builder and improved a property before selling it
- developed or subdivided land and sold sections
- had a change of zoning on the property and sold it within ten years of buying it, or
- sold a mixed-use asset.

Write the total profit or loss from the sale or disposal of other property in Box 21B.

Net profit from the sale of a property taxable under the bright-line test is included in Box 18C. The only exception is the sale of a mixed-use asset that is taxable under the bright-line test, include this in Box 21B instead. Do not include any net loss from the sale of a property taxable under the bright-line test.

For more information on the land sale rules, go to ird.govt.nz/buying-selling or our guide **Tax and your property transactions - IR361**. You can find our forms and guides at ird.govt.nz/forms-guides

Box 21A Residential land withholding tax (RLWT) credit

If a partner had RLWT deducted from the sale or transfer of a residential property located in New Zealand, they'll need to show the full amount of the RLWT in their own individual income tax return. Do not include it in the partnership tax credits.

If the LTC is an "offshore RLWT person" and has sold or transferred residential property located in New Zealand, RLWT may have been deducted from the sale price.

The LTC should have received a statement on the completion of the sale process showing the amount of RLWT deducted. The LTC can claim a credit for any RLWT deducted. Show the amount of RLWT deducted, less any RLWT paid back to the LTC and/or transferred to outstanding amounts during the income year.

If there was more than 1 amount of RLWT deducted, show the combined amount, less any RLWT paid back to the LTC and/or transferred to outstanding amounts during the income year.

Question 22 Other income

If you invested capital in a partnership or LTC but did not take an active part in the day-to-day operation or management of the business, any earnings would be considered passive income. Enter this amount at Question 22 unless you've already included it at another Question on your return.

Also at Question 22 show any other income the partnership or LTC received, for example sale of:

- non-FIF shares or other property
- securities.

If the partnership or LTC received any of the income listed above, please read the following.

Income from sale of non-FIF shares or other property

Profits from the sale of shares and other property are taxable if the partnership or LTC buys:

- and sells shares or other property as a business
- shares or other property for resale, or
- shares or property to make a profit.

List the details of gross income and expenses from these sales on a separate sheet of paper and attach it to the top of page 3 of your IR7. Include the total profits in Box 22B.

Selling or disposing of assets

If the partnership or LTC sold or disposed of a depreciated asset for more than its adjusted tax value, you may need to account for depreciation recovered.

You can use the depreciation calculator on our website ird.govt.nz to get a complete depreciation schedule for any asset. The schedule includes the amount to claim in the year of purchase and any adjustment in the year of sale. For more information read **Depreciation - a guide for businesses - IR260**, and either **Depreciation rates - IR265** or **Historic depreciation rates - IR267**.

Losses from shares or other property

If the partnership or LTC has made a loss and you can show that if the partnership or LTC had made a profit it would have been taxable, the partnership or LTC may be able to claim the loss as an expense. Include the total loss at Box 22B.

Write the details of the loss on a separate sheet of paper and attach it to the top of page 3 of your IR7. Include details of other profits or losses made from similar sales, whether in this tax year or earlier.

Financial arrangements

A partner or owner must account for income from financial arrangements on an accrual basis. Financial arrangements include government stock, local authority stock, mortgage bonds, futures contracts and deferred property settlements.

Changes to the rules for the treatment of financial arrangements have split the rules into 2 sets. Generally, the first set applies to financial arrangements entered into before 20 May 1999 and the second applies to financial arrangements entered into, on or after that date.

Both sets of rules require the income or expenditure to be spread over the term of the financial arrangement. Both sets of rules allow some exceptions from these spreading provisions if the partner or owner is a cash-basis holder (under the first set of rules), or a cash-basis person (under the second set of rules).

The partner or owner is a **cash-basis holder** if, before 20 May 1999:

- they held financial arrangements of \$600,000 or less in value, or
- the income derived from the financial arrangements was \$70,000 or less, and
- the difference between the person's gross income calculated under the cash basis and that calculated under the accrual method is no more than \$20,000.

The partner or owner is a **cash-basis person** if, from 20 May 1999:

- the value of all financial arrangements added together is less than \$1 million, or
- the absolute value (the value no matter whether it's a positive or a negative figure) calculated under the accrual rules in the income year from the financial arrangement is less than \$100,000, and
- in comparing the gross income and expenditure using a spreading method under the accrual rules with the cash-basis income and expenditure, the result is less than \$40,000.

To determine whether the partner or owner is a cash-basis holder or cash-basis person, they must take into account their share of the financial arrangement, or their share in the gross income or expenditure under the financial arrangement the partnership or LTC is a party to.

Sale or maturity of financial arrangements

Whether or not the exemption from the spreading methods applies, when a financial arrangement matures, is sold, remitted or transferred, you must do a "wash-up" calculation, known as a base price adjustment. The calculation ensures the total gains or losses from the financial arrangement are accounted for.

If you need any information about calculating a base price adjustment, call us on 0800 443 773.

Question 24 Expenses

The partnership or LTC may have incurred expenses in generating its income, for example:

- commission deducted from interest and dividends
- expenses for return preparation, or
- interest paid to Inland Revenue for late payment of tax in the income year it is paid.

If the expenses have not already been claimed in the return, print the amount in Box 24.

Question 26 Deduction for losses extinguished on transition from a QC or LAQC

If the partnership or LTC had losses which were extinguished on transitioning from a QC or LAQC, each owner or partner is allowed a deduction for an amount equal to the amount given by the following formula:

(Loss balance extinguished – prior years' deductions)
× partnership share or owner's effective interest

Note

This is limited to the partner's or owner's share of net partnership or net LTC income for the year.

Loss balance extinguished is the loss balance extinguished on transition from a QC or LAQC. If it includes foreign losses please contact us to make sure they are accounted for correctly.

Prior years' deductions is the total amount of deductions for extinguished losses allowed in previous income years for all persons with a share in the partnership, or an effective look-through interest in the LTC. If this is the first year deductions have been claimed for extinguished losses, the amount will be zero.

Work out the maximum allowable deduction for each owner or partner using the calculation table below and on page 32.

Boxes 1 to 3 only need to be completed once. Use the resulting figures for all owners or partners.

Boxes 4 to 9 must be completed for each owner or partner using their information from the IR7L or IR7P.

Loss balance extinguished
(copy this figure to Box 26
on the IR7)

1 ▶

\$.

Prior years' deductions
(copy this figure to Box 26A
on the IR7)

2 ▶

\$.

Subtract Box 2 from Box 1
and print the answer in Box 3.

3 ▶

\$.

If the answer in Box 3 is zero, no further deductions for extinguished losses can be claimed by the owners or partners. If it is greater than zero, continue below.

Note

Information on completing the IR7L is explained later in this guide. Attribution of income/loss is explained on page 33, and how to complete Box 27Q is explained on page 34 of this guide.

Copy the total income figure from Box 27K on the IR7L or IR7P to Box 4 **4 ▶** \$

For LTC owners, copy any non-allowable deductions this year from Box 27Q on the IR7L to Box 5 **5 ▶** \$

Add Boxes 4 and 5 and print the answer in Box 6. **6 ▶** \$

If Box 6 is a loss, the owner or partner is not entitled to a deduction this year. If it is not a loss, continue below.

Convert the owner's or partner's attribution of income/loss from Box 27B on the IR7L or IR7P to a decimal amount (for example 40% = .40). Print the answer in Box 7. **7 ▶**

Multiply Box 3 by Box 7 and print the answer in Box 8. **8 ▶** \$

Print the amount from either Box 6 or Box 8, whichever is the lesser, in Box 9 below. This is the maximum deduction for the owner or partner.

Maximum deduction **9 ▶** \$

Copy the amount from Box 9 to Box 27L on the IR7L or IR7P form.

Add up the maximum deductions for all owners or partners and print the answer in Box 26B of the IR7 return.

Question 27 Attribution of income/loss

All income, losses and tax credits must be attributed to the partners or owners in proportion to their share in the partnership or effective look-through interest in the LTC.

At Question 27 tick which entity the income/loss details are attached for.

- partnerships, complete the IR7P to provide attribution details for all partners, or
- LTCs, complete the IR7L to provide attribution details for all owners.

Show the details for each partner or owner on the relevant form. If there are more than 2 partners or owners, use additional IR7P or IR7L forms. You can print them from our website ird.govt.nz

Attach all IR7P or IR7L forms to the top of page 3 of your IR7 return.

Completing your IR7L or IR7P

Box 27A IRD number

Print the partner's or owner's IRD number. If you do not know their IRD number you will need to contact them to request it.

Box 27B Attribution of income/loss

Show the attribution of income or loss the partner or owner is entitled to as a percentage of the total. Write percentages as four-digit numbers, for example show 15% as 15.00.

Note

For LTCs with only 1 owner the percentage will be a five-digit number, for example show 100% as 100.00.

For LTCs, effective look-through interest determines each owner's attribution of income or loss from the LTC.

Each owner's effective look-through interest is generally determined by the percentage of shares the owner has in the LTC.

For more information read our **Look-through companies - IR879 guide**

Boxes 27C to 27J Attributed income/loss

Print the partner's or owner's attribution of:

- interest (from Question 11) in Box 27C
- dividends (from Question 12) in Box 27D
- Māori authority distributions (from Question 13) in Box 27E
- overseas income (from Question 16) in Box 27F
- residential income (from Question 18) in Box 27G
- other rental income (from Question 20) in Box 27H

- other passive income (from Questions 21 and 22 minus any relevant expenses at Question 24, including income received by a non-active partner or owner in the business) in Box 27I
- all other income and expenses (not already included in Boxes 27C to 27I) in Box 27J).

Box 27K Total income

Print the total of all Boxes 27C, 27D, 27E, 27F, 27G, 27H, 27I and 27J in Box 27K. If a loss, put a minus sign in the last box.

Note

The totals of all partners' or owners' Box 27Ks must add up to the IR7 income or loss shown in Box 25. If they do not, it will take us longer to process your return.

Box 27L Deduction for extinguished losses

See instructions on pages 30 to 31 of this guide.

Box 27M Residential rental deductions

Print the partner's or owner's attribution in Box 27M.

Boxes 27N, 27O and 27P Attributed tax credits

Print the partner's or owner's attribution of:

overseas tax paid (from Question 16) in Box 27N

- imputation credits (from Question 12) in Box 27O
- other tax credits (from Questions 10 to 15, excluding any imputation credits) in Box 27P.

Boxes 27Q to 27T Non-allowable deductions (IR7L only) - where loss limitation rule does not apply for the owner(s)

Note

This information applies for an LTC who is not subject to the loss limitation rule. See the note on page 12.

Non-allowable deductions this year

There will not be non-allowable deductions this year as the loss limitation rule no longer applies. Do not include an amount in Box 27Q.

Non-allowable deductions brought forward

Note

The LTC should have records of the non-allowable deductions brought forward.

Prior years' non-allowable deductions claimed this year

This will be the same as the amount in Box 27R and is the amount claimable this year. Copy the amount in Box 27R to Box 27S.

Non-allowable deductions carried forward

There should be no non-allowable deductions to carry forward. Leave Box 27S blank.

Example 1

Loss limitation rule no longer applies - owner with previously non-allowable deductions

The following details are for Catherine who owns all of the shares in Company A, an LTC.

IRD number	12-121-212
Total gross income	\$10,000
Expenses/deductions	\$15,000
Loss	\$5,000
Non-allowable deductions brought forward	\$10,000

Boxes 27Q to 27T Non-allowable deductions (IR7L only) - where loss limitation rule still applies for the owners

Note

This information only applies for an LTC that is in a partnership or joint venture with another LTC.

The loss limitation rule ensures that the deductions claimed reflect the level of an owner's economic loss in the LTC. The "owner's basis" refers to the adjusted tax book value of an owner's investment in the LTC. The deductions an owner can claim are restricted if the overall deductions exceed the owner's basis in the LTC.

See examples of the loss limitation rule on pages 39 to 54.

Note

For each owner calculate their owner's basis and any non-allowable deductions using the tables and information on pages 37 and 38. Please see Part 7 of our **Look-through companies - IR879** guide before calculating the owner's basis. It explains the terms used in the following calculation.

If there's more than 1 owner, complete the tables on pages 37 and 38 for each owner separately.

Calculate the owner's basis here:		
Investments	1 ▶	\$ <input style="width: 100px; border: 1px solid black;" type="text"/>
Distributions	2 ▶	\$ <input style="width: 100px; border: 1px solid black;" type="text"/>
Subtract Box 2 from Box 1	3 ▶	\$ <input style="width: 100px; border: 1px solid black;" type="text"/>
Income	4 ▶	\$ <input style="width: 100px; border: 1px solid black;" type="text"/>
Add Boxes 3 and 4	5 ▶	\$ <input style="width: 100px; border: 1px solid black;" type="text"/>
Deductions from previous tax years (but excluding any non-allowable deductions in those years)	6 ▶	\$ <input style="width: 100px; border: 1px solid black;" type="text"/>
Subtract Box 6 from Box 5	7 ▶	\$ <input style="width: 100px; border: 1px solid black;" type="text"/>
Disallowed amounts	8 ▶	\$ <input style="width: 100px; border: 1px solid black;" type="text"/>
Subtract Box 8 from Box 7*	9 ▶	\$ <input style="width: 100px; border: 1px solid black;" type="text"/>

* If Box 9 is a negative amount it means the owner has negative equity in the LTC and their owner's basis will be treated as nil. Print "0.00" in Box 9.

Note

Deductions in Box 6 above also includes all the deductions claimed against gross income from the LTC from all sources in previous years in which the company was an LTC. For example, if the LTC has a rental property, all the deductions claimable against the rental income will be included in the total deductions figure, as well as expenses incurred in producing income from all other sources.

When each owner's basis (Box 9 on the previous page) has been calculated you can work out if there is any limitation on the deductions claimable for each owner. If the:

- owner's basis (Box 9) is more than their attribution of the deductions (expenses), you will not need to complete Box 27Q - go to Non-allowable deductions
- attribution of deductions (expenses) to the owners are more than their owner's basis you'll need to complete Boxes 1 to 3 below to calculate the amount to declare at Box 27Q.

Attribution of this year's deductions (expenses)	1 ▶	\$	<input type="text"/>	.	<input type="text"/>
Owner's basis (from Box 9 on page 36)	2 ▶	\$	<input type="text"/>	.	<input type="text"/>
Subtract Box 2 from Box 1	3 ▶	\$	<input type="text"/>	.	<input type="text"/>

The result is non-allowable deductions this year. Copy the amount from Box 3 into Box 27Q on your IR7L.

Any deductions an owner cannot claim because of the loss limitation rule are carried forward and may be claimed in future years, subject to the application of the loss limitation rule in those years. Owners may only use these deductions against income from the LTC.

Non-allowable deductions

Complete the calculation (Boxes 1 to 5) on the following page if you have:

- non-allowable deductions brought forward from last year (copy the amount from Box 26R Non-allowable deductions on your IR7L 2024 form into Box 27R on your IR7L 2025 form), or

- non-allowable deductions this year (that means Box 27Q has an amount in it).

Non-allowable deductions brought forward (also show this amount in Box 27R).	1 ▶	\$	<input type="text"/>	.	<input type="text"/>
Non-allowable deductions this year (Box 3 on page 37, put zero if you do not have non-allowable deductions).	2 ▶	\$	<input type="text"/>	.	<input type="text"/>
Add Boxes 1 and 2.	3 ▶	\$	<input type="text"/>	.	<input type="text"/>
If your Owner's basis (Box 9 on page 36) was more than your attribution of this year's deductions (expenses), copy the difference to Box 4, otherwise print \$0.00.	4 ▶	\$	<input type="text"/>	.	<input type="text"/>
Subtract Box 4 from Box 3 (print \$0.00 if this would equal a negative value).	5 ▶	\$	<input type="text"/>	.	<input type="text"/>

Prior years' non-allowable deductions claimable this year

If there is a figure in Box 4, you will be able to claim prior years' non-allowable deductions. Enter the smaller number of Box 3 and Box 4 as prior years' non-allowable deductions claimed this year in Box 27S on your IR7L.

Non-allowable deductions carried forward

The amount in Box 5 is the non-allowable deductions to carry forward. Copy this amount into Box 27T.

Example 2

LTC loss limitation rule - current year non-allowable deductions only

The following details are for Company A which is an LTC:

IRD number	12-345-678
Total gross income	\$6,000
Expenses/deductions	\$10,000
Loss	\$4,000
One owner (shareholder):	Sam (100%)
IRD number	91-111-213
Sam's owner's basis	\$5,500.00

Note: Company A is in a partnership with another LTC.

Calculate the non-allowable deductions for Sam:

Attribution of this year's deductions (expenses)	1 ▶	\$ 10,000.00
Owner's basis (from Box 9 on page 36)	2 ▶	\$ 5,500.00
Subtract Box 2 from Box 1	3 ▶	\$ 4,500.00

Box 3 is Sam's non-allowable deductions this year. The amount in Box 3 (\$4,500) is shown at Box 27Q.

Non-allowable deductions brought forward (also show this amount in Box 27R on the IR7L).	1 ▶	\$ 0.00
Non-allowable deductions this year (copy from Box 3 on previous page)	2 ▶	\$ 4,500.00
Add Boxes 1 and 2	3 ▶	\$ 4,500.00
Excess owner's basis (not applicable to Sam)	4 ▶	\$.
Subtract Box 4 from Box 3 (Print \$0.00 if negative).	5 ▶	\$ 4,500.00

Box 5 is Sam's non-allowable deductions to carry forward. The amount in Box 5 (\$4,500) is shown at Box 27T.

Company A's IR7L would look like this:



Inland Revenue
Te Tari Taake

Look-through company
income/loss attribution

See the guide for further details before completing this form.

Complete this form and attach it to the top of page 3 of the LTC's IR7 income

Look-through company (LTC) name **COMPANY A**

IRD number (8 digit numbers start in the second box. **1 2 3 4 5 6 7 8**)

Owner's name **SAM**

IRD number **27A ▶ 9 1 1 1 1 2 1 3** Attribution of income (See the guide for details)

Attributed income/loss and tax credits

Interest – if a loss, put a minus sign in the last box **27C ▶ \$** Deduction for interest **27L ▶ \$**

Dividends **27D ▶ \$** Residential rental income **27M ▶ \$**

Māori authority distributions **27E ▶ \$** Overseas tax paid **27N ▶ \$**

Overseas income – if a loss, put a minus sign in the last box **27F ▶ \$** Imputation credits **27O ▶ \$**

Total combined residential income **27G ▶ \$** Other tax credits **27P ▶ \$**

Other rental income – if a loss, put a minus sign in the last box **27H ▶ \$** Non-allowable tax credits **27Q ▶ \$**

Other passive income – if a loss, put a minus sign in the last box **27I ▶ \$** Non-allowable tax credits **27R ▶ \$**

All other income (not already included at Boxes 27C to 27I) – if a loss, put a minus sign in the last box **27J ▶ \$ 4,000.00 -** Prior years' non-allowable tax credits **27S ▶ \$**

Total income (sum of boxes 27C to 27J) – if a loss, put a minus sign in the last box **27K ▶ \$ 4,000.00 -** Non-allowable tax credits and 27R, or substituted tax credits **27T ▶ \$**

le any income/loss shown at Questions 13, 14, 15, 17, 22, 23, 25 and 27.

ere. See the guide for further details.

nt is a loss, put a minus sign in the last Box.

4,000.00 -

4,500.00

claimed this year

, .

Adjusted LTC income

19B.



\$, , 500.00

Calculate the non-allowable deductions for Linda and Marley:

		Linda	Marley
Attribution of this year's deductions (expenses)	1 ▶	\$ 4,000.00	\$ 4,000.00
Owner's basis (from Box 9 on page 36)	2 ▶	\$ 6,000.00	\$ 3,000.00
Subtract Box 2 from Box 1	3 ▶	\$ -2,000.00	\$ 1,000.00
Non-allowable deductions brought forward (also show this amount in Box 27R).	4 ▶	\$ 500.00	\$ 500.00
Add Boxes 3 and 4. (Print \$0.00 if this would equal a negative value.)	5 ▶	\$ 0.00	\$ 1,500.00

Linda will show her income from Company C on her **Individual income tax return - IR3** at Question 19 "Did you receive any look-through company (LTC) income?" as shown below.

Linda's attribution of this year's deductions is not limited, so she can claim her full share of the loss (\$1,000). In addition, she is now able to claim the \$500 she was not allowed last year, making her adjusted LTC income a \$1,500 loss.

Linda's IR3 Question 19 would look like this:

19	Did you receive any look-through company (LTC) income? Exclude
No	<input type="checkbox"/> Go to Question 20
Yes	<input checked="" type="checkbox"/> Print the totals here
Total LTC tax credits	
19A	\$ <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"/>
Total active LTC income - if this amount is positive	
19B	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Non-allowable deductions this year	
19C	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Prior years' non-allowable deductions	
19D	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
<p>Either add Boxes 19B and 19C or subtract Box 19D from the sum of Boxes 19A and 19B. Print your answer in Box 19E.</p>	

le any income/loss shown at Questions 13, 14, 15, 17, 22, 23, 25 and 27.
ere. See the guide for further details.

nt is a loss, put a minus sign in the last Box.

1,000.00 -

, .

claimed this year

,500.00

Adjusted LTC income

19B.



\$, 1,500.00 -

Company C's IR7L details for Marley would look like this:

Owner's name	MARLEY																											
IRD number	27A ▶	3 1 3 2 3 3 3 4										Attribution of income (See the guide for more information)																
Attributed income/loss and tax credits																												
Interest – if a loss, put a minus sign in the last box	27C ▶	\$										Deduction for interest	27L ▶	\$														
Dividends	27D ▶	\$										Residential rental income	27M ▶	\$														
Māori authority distributions	27E ▶	\$										Overseas tax paid	27N ▶	\$														
Overseas income – if a loss, put a minus sign in the last box	27F ▶	\$										Imputation credit	27O ▶	\$														
Total combined residential income	27G ▶	\$										Other tax credits	27P ▶	\$														
Other rental income – if a loss, put a minus sign in the last box	27H ▶	\$										Non-allowable deductions	27Q ▶	\$														
Other passive income – if a loss, put a minus sign in the last box	27I ▶	\$										Non-allowable deductions	27R ▶	\$														
All other income (not already included at Boxes 27C to 27I) – if a loss, put a minus sign in the last box	27J ▶	\$								1	0	0	0	.	0	0	-	Prior years' non-allowable deductions	27S ▶	\$								
Total income (sum of boxes 27C to 27J) – if a loss, put a minus sign in the last box	27K ▶	\$								1	0	0	0	.	0	0	-	Non-allowable deductions and 27R, or sub-section 6E	27T ▶	\$								

Marley will show his income from Company C on his **Individual income tax return - IR3** at Question 19 "Did you receive any look-through company (LTC) income?".

He would also have \$1,500 non-allowable deductions to carry forward to next year.

Income/loss (for further details)	27B ▶	50.00 %
Extinguished losses (See the guide for further details)		
Total deductions		
Paid		
Credits		
Losses (See the guide for further details)		
Deductions this year (See the guide for further details)		1,000.00
Deductions brought forward		500.00
Non-allowable deductions claimed this year		
Deductions carried forward (either add Boxes 27Q or subtract Box 27S from 27R)		1,500.00

Note

For Marley, limiting the deductions has the effect of treating his share of the deductions as \$3,000. When this amount is allowed against his share of the gross income (\$3,000) the result is \$0.00, the amount of the adjusted LTC income.

Marley's IR3 Question 19 would look like this:

19	Did you receive any look-through company (LTC) income ? Exclud
No	<input type="checkbox"/> Go to Question 20
Yes	<input checked="" type="checkbox"/> Print the totals h
Total LTC tax credits	
19A	\$ <input type="text"/> , <input type="text"/> , <input type="text"/> . <input type="text"/>
Total active LTC income - if this amount	
19B	\$ <input type="text"/> , <input type="text"/>
Non-allowable deductions this year	
19C	\$ <input type="text"/> , <input type="text"/>
Prior years' non-allowable deductions	
19D	\$ <input type="text"/> , <input type="text"/>
Either add Boxes 19B and 19C or subtract Box 19D from Print your answer in Box 19E.	

Question 28 Additional disclosure of foreign investments

If the partnership or LTC has an interest in an FIF or CFC, the partners or owners may be required to complete an additional disclosure form for their investments.

Find out more about the base erosion profit shifting (BEPS) hybrid mismatch rules at ird.govt.nz/beps

Full details of the disclosure requirements are available in the May issue of our **Tax Information Bulletin (TIB)** each year.

FIF and CFC disclosure forms are available on our website ird.govt.nz/forms-guides

any income/loss shown at Questions 13, 14, 15, 17, 22, 23, 25 and 27.
 here. See the guide for further details.

nt is a loss, put a minus sign in the last Box.

1, 0 0 0 . 0 0 -

1, 0 0 0 . 0 0

claimed this year

, .

Adjusted LTC income

19B.  \$ 0 0 0

ACC levies

The amount liable for ACC levies is based on the partners' or owners' share of the partnership or LTC income derived from personal effort that is, "active" declared in the individual partners' or owners' IR3 income tax returns.

Partners' or owners' wages

Regular salaries or wages paid by the partnership or LTC to partners or owners have already had earners' levy accounted for in PAYE withheld. ACC will invoice the partnership or LTC for other levies.

For more information

If you have any questions about ACC or levies, please go to ACC's website acc.co.nz/productslevies or contact the ACC Business Service Centre.

Phone 0800 222 776

Email business@acc.co.nz

Services you may need

Need to speak with us?

Have your IRD number ready and call us on one of these numbers.

General tax, tax credits and refunds	0800 775 247
Employer enquiries	0800 377 772
General business tax	0800 377 774
Overdue returns and payments	0800 227 771

Our self-service lines are open 7 days a week. They offer a range of automated options, especially if you're enrolled with voice ID.

Find out more at ird.govt.nz/contact-us

0800 self-service number

Our 0800 self-service number, 0800 257 777, is open 7 days a week. Make sure you have your IRD number ready when you call.

For access to your account-specific information, you'll need to be enrolled with voice ID or have a PIN.

When you call, confirm what you want from the options given. If you need to talk with us, we'll re-direct your call to someone who can help you.

Postal addresses

Returns

Inland Revenue
PO Box 39090
Wellington Mail Centre
Lower Hutt 5045

General correspondence

Inland Revenue
PO Box 39010
Wellington Mail Centre
Lower Hutt 5045

For a full list of addresses go to ird.govt.nz/contact-us and select the post option.

Privacy

Meeting your tax obligations means giving us accurate information so we can assess your tax and entitlements under the Acts we administer. We may charge penalties if you do not.

We may also exchange information about you with:

- some government agencies
- another country, if we have an information supply agreement with them, and
- Statistics New Zealand (for statistical purposes only).

You can ask for the personal information we hold about you. We'll give the information to you and correct any errors, unless we have a lawful reason not to. Find our full privacy policy at ird.govt.nz/privacy

If you have a complaint about our service

We're committed to providing you with a quality service. If there's a problem, we'd like to know about it and have the chance to fix it.

If you disagree with how we've assessed your tax, you may need to follow a formal disputes process.

Find out more about making a complaint, and the disputes process, at ird.govt.nz/disputes



Te Kāwanatanga o Aotearoa
New Zealand Government