



12 December 2024

Dear [REDACTED]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 7 November 2024. Your request is detailed in **Appendix A**.

### Background

The research and development loss tax credit (RDLTC) was introduced in the 2015/2016 tax year. RDLTC offers a tax credit up to 28% of an entity's tax losses from research & development (R&D) activity. Generally, an entity carries tax losses forward to the next income year. When an entity receives RDLTC, it does not carry R&D business losses forward to use against income in future years. An entity must repay RDLTC when its business either begins to make a profit or owes repayment tax following a loss recovery event.

The research and development tax incentive (RDTI) offers a tax credit at the rate of 15% of eligible R&D expenditure, up to \$120 million. The RDTI credit is offset against tax to pay and in some circumstances is refundable. The RDTI scheme was introduced for application in the 2019/2020 tax year.

Filing for 2023 tax year claims is now closed. However, some claims are still in progress. The 2024 tax year claims are currently in progress and the data available is not yet complete. Returns for the 2024 tax year are not due until 30 April 2025 for customers with an extension of time.

Data in this response is correct as at 25 November 2024 and does not include any adjustments that may have been applied after this date.

### Monthly data for number of applications received and amounts applied for

The table below outlines the number of applications and total amounts applied for per month for the RDTI credit and the RDLTC.

Month	RDTI Applications received	RDTI Amount (\$)	RDLTC Applications received	RDLTC Amount (\$)
November 2021	29	2,674,160	21	3,143,141
December 2021	21	12,767,229	13	1,511,522
January 2022	17	1,163,897	7	1,144,129

Month	RDTI Applications received	RDTI Amount (\$)	RDLTC Applications received	RDLTC Amount (\$)
February 2022	22	2,240,791	8	989,124
March 2022	70	23,886,369	67	8,159,795
April 2022	117	13,032,846	10	2,714,392
May 2022	266	40,730,919	22	5,562,998
June 2022	53	16,985,251	26	4,854,417
July 2022	44	6,482,304	28	6,866,826
August 2022	75	10,104,848	42	7,471,201
September 2022	60	12,478,918	42	8,418,871
October 2022	59	11,403,424	29	6,310,824
November 2022	49	9,593,564	33	6,205,491
December 2022	72	19,567,207	34	6,986,170
January 2023	30	7,352,737	0	0
February 2023	54	12,151,588	21	3,845,940
March 2023	107	40,919,641	66	13,069,770
April 2023	214	73,668,610	34	5,303,497
May 2023	222	61,006,441	34	6,850,354
June 2023	48	15,881,048	35	9,898,717
July 2023	66	8,788,383	49	10,323,401
August 2023	76	13,953,150	43	9,708,003
September 2023	71	13,940,081	41	9,298,863
October 2023	61	8,247,277	45	9,006,555
November 2023	71	14,767,515	27	6,469,441
December 2023	74	39,792,109	29	7,546,210
January 2024	30	11,589,039	8	925,059
February 2024	57	9,980,572	18	3,349,128
March 2024	101	42,238,080	44	9,436,086
April 2024	336	130,462,499	64	12,775,604
May 2024	98	34,131,944	37	8,498,454

Month	RDTI Applications received	RDTI Amount (\$)	RDLTC Applications received	RDLTC Amount (\$)
June 2024	43	11,126,543	37	9,232,134
July 2024	89	17,929,004	55	13,398,509
August 2024	102	23,255,474	57	13,067,019
September 2024	73	22,415,539	50	11,403,710
October 2024	81	18,724,939	32	9,195,276

### Monthly data for approval stages

The table below outlines the monthly amount of Research and Development Tax Incentive Credit claims per approval stage.

Month	Approved	Declined	In Progress
November 2021	28	1	0
December 2021	21	0	0
January 2022	16	0	1
February 2022	21	1	0
March 2022	68	2	0
April 2022	113	3	1
May 2022	254	9	3
June 2022	49	3	1
July 2022	40	4	0
August 2022	66	8	1
September 2022	58	1	1
October 2022	56	3	0
November 2022	48	1	0
December 2022	72	0	0
January 2023	28	1	1
February 2023	51	0	3
March 2023	97	7	3
April 2023	199	7	8
May 2023	214	4	4

Month	Approved	Declined	In Progress
June 2023	46	2	0
July 2023	58	5	3
August 2023	74	1	1
September 2023	66	1	4
October 2023	58	1	2
November 2023	68	1	2
December 2023	69	1	4
January 2024	29	1	0
February 2024	49	3	5
March 2024	87	6	8
April 2024	264	9	63
May 2024	79	3	16
June 2024	39	1	3
July 2024	69	0	20
August 2024	61	2	39
September 2024	56	0	17
October 2024	39	0	42

The table below outlines the monthly amount of RDLTC claims per approval stage.

Month	Approved	Declined	In Progress
November 2021	21	0	0
December 2021	13	0	0
January 2022	7	0	0
February 2022	8	0	0
March 2022	64	3	0
April 2022	10	0	0
May 2022	21	1	0
June 2022	26	0	0
July 2022	28	0	0

<b>Month</b>	<b>Approved</b>	<b>Declined</b>	<b>In Progress</b>
<b>August 2022</b>	41	1	0
<b>September 2022</b>	42	0	0
<b>October 2022</b>	29	0	0
<b>November 2022</b>	33	0	0
<b>December 2022</b>	34	0	0
<b>January 2023</b>	0	0	0
<b>February 2023</b>	21	0	0
<b>March 2023</b>	63	3	0
<b>April 2023</b>	32	2	0
<b>May 2023</b>	32	2	0
<b>June 2023</b>	35	0	0
<b>July 2023</b>	49	0	0
<b>August 2023</b>	43	0	0
<b>September 2023</b>	38	3	0
<b>October 2023</b>	44	1	0
<b>November 2023</b>	27	0	0
<b>December 2023</b>	29	0	0
<b>January 2024</b>	8	0	0
<b>February 2024</b>	17	1	0
<b>March 2024</b>	44	0	0
<b>April 2024</b>	60	2	2
<b>May 2024</b>	37	0	0
<b>June 2024</b>	37	0	0
<b>July 2024</b>	55	0	0
<b>August 2024</b>	55	0	2
<b>September 2024</b>	45	1	4
<b>October 2024</b>	23	0	9

### Application resolution timeframes

The table below outlines the timeframe taken to reach an outcome for the RDTI credit.

Please note: Resolution timeframes rely heavily on the customer's communication and providing information to Inland Revenue. The timeframes for completion are significantly dictated by the customer, and not Inland Revenue's processing times.

Month	Approved	Declined	In Progress
Less than 1 month	1100	56	21
1 – 3 months	481	9	38
3 – 6 months	886	19	149
6 – 12 months	213	8	21
12 months +	30	0	27

The table below outlines the timeframe taken to reach an outcome for the RDLTC.

Please note: Resolution timeframes rely heavily on the customer's communication and providing information to Inland Revenue. The timeframes for completion are significantly dictated by the customer, and not Inland Revenue's processing times.

Month	Approved	Declined	In Progress
Less than 1 month	494	3	1
1 – 3 months	635	14	14
3 – 6 months	38	1	1
6 – 12 months	2	2	1
12 months +	2	0	0

### Directives, Policies, Decisions or correspondence that relates to the strictness, thoroughness or criteria under which R&D Tax Incentive Programmes are assessed

This portion of your request is believed to be more closely connected with the functions of the Minister of Revenue. Accordingly, under section 14(b)(ii) of the OIA, I have transferred this part of your request to the Minister of Revenue.

The Minister of Revenue has 20 working days from receipt of this transfer to make a decision on this part of your request. You can expect to receive a response no later than 31 January 2025.

### Staff guides and procedures

The guides and procedures used to guide staff in assessing RDTI programme applications are withheld under section 18(c)(i) of the OIA, as making the requested information available would be contrary to the provisions of section 18(3) of the Tax Administration Act 1994. The Commissioner of Inland Revenue is not required to disclose any item of revenue information if the release of the information would adversely affect the integrity of the tax system or would prejudice the maintenance of the law.

I can, however, provide you with the following publicly available information about the R&D Programme:

- Inland Revenue's R&D Tax Incentive Credits guidance document: [Research and Development Tax Incentive: Guidance](#)
- Inland Revenue's R&D Loss Tax credits website: [Research and development loss tax credit](#)
- R&D Tax Incentive credits website: [Want a 15% credit on your R&D costs? | RDTI NZ](#)
- R&D Loss Tax credits Interpretation statement: [Research and development loss tax credits](#)
- Eligibility criteria for R&D Tax Incentive Credits: [Income Tax Act 2007 No 97 \(as at 31 July 2024\), Public Act Subpart LY—Research and development tax credits – New Zealand Legislation](#)
- Eligibility criteria for R&D Loss Tax credits: [Income Tax Act 2007 No 97 \(as at 31 July 2024\), Public Act Subpart MX—Tax credits for R&D tax losses – New Zealand Legislation](#)

### Right of review

If you disagree with my decision on your OIA request, you can ask an Inland Revenue review officer to review my decision. To ask for an internal review, please email the Commissioner of Inland Revenue at: [commissionerscorrespondence@ird.govt.nz](mailto:commissionerscorrespondence@ird.govt.nz).

Alternatively, under section 28(3) of the OIA, you have the right to ask the Ombudsman to investigate and review my decision. You can contact the office of the Ombudsman by email at: [info@ombudsman.parliament.nz](mailto:info@ombudsman.parliament.nz).

If you choose to have an internal review, you can still ask the Ombudsman for a review.

### Publishing of OIA response

We intend to publish our response to your request on Inland Revenue's website ([ird.govt.nz](http://ird.govt.nz)) as this information may be of interest to other members of the public. This letter, with your personal details removed, may be published in its entirety.

Publishing responses increases the availability of information to the public and is consistent with the OIA's purpose of enabling more effective participation in the making and administration of laws and policies and promoting the accountability of officials.

Thank you again for your request.

Yours sincerely



Tony Morris  
**Customer Segment Leader, Significant Enterprises**



## Appendix A – Request

*"I request the following information for all R&D related tax incentive programmes that IRD currently operates.*

- For each programme, for each month of the last 3 years (or at another frequency that this information is available) the number of applications received in that month, the total financial value of those applications, the number of those applications in each available outcome (e.g. approved/denied/in progress), and information about how long it took to reach decisions on them. If all of this information is not available, I request as much as is available. If other aggregated information is available on applications during this period, I request this is also included, particularly where this relates to rates of application approval or speed of approval.*
- Any directives, policies, decisions, or correspondence that relate to the strictness, thoroughness, or criteria for which R&D tax incentive programmes are assessed. For clarity, this would include any internal targets for rates of application approval, and any changes to those targets. If there have been any directives under the current government to make changes relating to how R&D tax incentives are assessed/granted for, particularly, but not limited to, cost-cutting or budget-related purposes, then all documents and correspondence that relate to these changes. Otherwise, relevant correspondence since August 2023.*
- If there exist any guides or procedures provided to staff to guide them in assessing R&D tax incentive programme applications, then copies of those guides provided within the last three years, including the date each document was circulated or implemented."*