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### POLICY AND STRATEGY

Tax policy report: Update on R&D Tax Credit

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| **Date:** | 15 February 2018 | **Priority:** | **High** |
| **Security level:** | In Confidence | **Report no:** | IR2018/093 |

Action sought

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|  | **Action sought** | **Deadline** |
| Minister of Revenue | **Note** the contents of this report | 19 February 2018 |

Contact for telephone discussion (if required)

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| --- | --- | --- |
| **Name** | **Position** | **Telephone** |
| Richard Braae | Senior Policy Advisor | Withheld under section 9(2)(a) of the Official Information Act 1982 |
| Keith Taylor | Policy Manager |

**POLICY AND STRATEGY**

*Te Wāhanga o te Rautaki me te Kaupapa*

***National Office***

*Level 8*

*55 Featherston Street*

*PO Box 2198*

*Wellington 6140*

*New Zealand*

*Telephone 04 890 1500*

*Facsimile 04 903 2413*

15 February 2018

Minister of Revenue

Update on R&D Tax Credit

Executive summary

Officials from Inland Revenue (IR), MBIE, Treasury and Callaghan Innovation are working on a series of reports relating to the design of the R&D tax credit. You will be asked to make decisions that will inform a Discussion Document on the tax credit.

Officials from IR and the other departments recently met with Australian officials to learn about its tax credit. These discussions highlighted risks with an R&D tax credit that are relevant to the design of the New Zealand scheme.

Recommended action

It is recommended that you:

**Note** the contents of this report.

**Richard Braae**

Senior Policy Advisor

Policy and Strategy

**Hon Stuart Nash**

Minister of Revenue

/ /2018

Background

You will shortly receive a series of briefing papers on the R&D tax credit:

* Two papers for you and Minister Woods seeking decisions on the tax credit for the Discussion Document
* A report from officials (including IR) who travelled to Australia to learn about its tax credit

These reports may not be received by your office before your overseas travel. You will meet Minister Woods to discuss the reports on your return.

Goals for the R&D Tax Credit

Inland Revenue has worked with MBIE, Treasury and Callaghan Innovation and our goal has been to seek an agreed set of recommendations for Ministers to consider. ............. .. . ..Withheld under section 9(2)(g)(i) of the Official Information Act 1982.............................................................. ..

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Lessons from Australia

8. The main lessons IR officials took from our Australian meetings were:

.Withheld under section 6(b)(i) of the Official Information Act 1982

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