



**Inland Revenue**  
Te Tari Taake

## POLICY AND STRATEGY

### Tax policy report: Update on R&D Tax Credit

<b>Date:</b>	15 February 2018	<b>Priority:</b>	<b>High</b>
<b>Security level:</b>	In Confidence	<b>Report no:</b>	IR2018/093

### Action sought

	Action sought	Deadline
Minister of Revenue	<b>Note</b> the contents of this report	19 February 2018

### Contact for telephone discussion (if required)

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**  
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15 February 2018

Minister of Revenue

## **Update on R&D Tax Credit**

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### **Executive summary**

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1. 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.
2. 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.

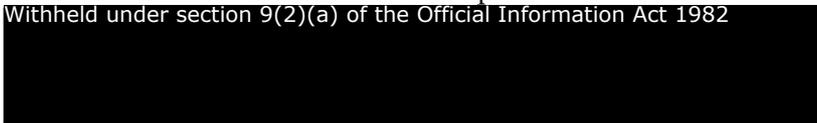
### **Recommended action**

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3. It is recommended that you:

**Note the contents of this report.**

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**Richard Braae**  
Senior Policy Advisor  
Policy and Strategy

**Hon Stuart Nash**  
Minister of Revenue  
/ /2018

## Background

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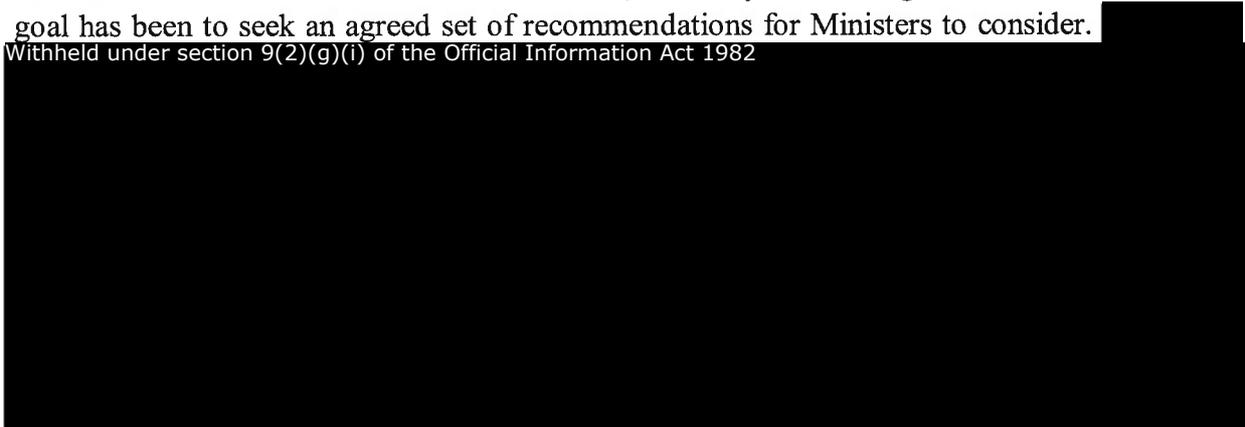
4. You will shortly receive a series of briefing papers on the R&D tax credit:
  - Two papers for you and Minister Woods seeking decisions on the tax credit for the Discussion Document
  - A report from officials (including IR) who travelled to Australia to learn about its tax credit
5. These reports 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

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6. 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.

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## Lessons from Australia

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

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