

# Briefing note

Reference BN2026/035

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To Revenue Advisor, Minister of Revenue – Angela Graham  
Private Secretary, Minister of Revenue – Melissa Zhen  
Revenue Advisor, Minister of Finance – Carl Harris

From Lynda Sanderson

Subject **Investment Boost – Early monitoring of business awareness and investment response**

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## Purpose

- 1 This briefing note provides a summary of the recent Inland Revenue survey of taxpayers on the impacts of Investment Boost and attaches the full results of the survey. Early highlights from the survey were provided in BN2026/042.

## Comment

- 2 In May 2025, the Government introduced the Investment Boost policy, administered by Inland Revenue. Under Investment Boost, businesses can claim 20% of the cost of new assets as an immediate deduction, then claim depreciation as usual on the remaining 80%. The asset purchase becomes eligible for Investment Boost when the asset is available for use, rather than when the spending is incurred.
- 3 In December 2025, Inland Revenue surveyed New Zealand businesses to gather an early indication of the impacts of Investment Boost (IR2025/327 refers). The survey focused on awareness and understanding of the policy, associated costs and challenges, and the impact of Investment Boost on recent investment spending.
- 4 Medium and large firms were over-sampled relative to their share of the population, reflecting their high importance for aggregate economic outcomes. Participation in the survey was voluntary so the results are likely to reflect the views of more engaged businesses. This means awareness and uptake of Investment Boost may be overstated compared with the wider business population.
- 5 The attached Analytical Note sets out Inland Revenue's analysis of the survey responses. Results are consistent with those provided in BN2026/042.
- 6 Survey results indicate that it will take time for the full effects of Investment Boost to flow through to economic activity. Investment spending in 2025 largely reflects existing investment plans, economic conditions and business needs. One third of respondents, especially those in small and micro enterprises, had limited awareness of the policy and its implications for their business.
- 7 While it is still very new, and despite mixed awareness, the policy is already having an impact on investment activity. Among firms that made some investment in assets in 2025 and had reasonable awareness of Investment Boost (379 respondents), 40% reported that the policy had increased their investment spending over the past 12 months. Within that 40%, 11% reported a significant increase due to the policy, while the remaining 29% reported that the tax benefits of Investment Boost somewhat increased their spending.

- 8 The impact of Investment Boost is expected to increase over time. While many firms have yet to make their forward-looking investment plans, nearly half (49%) of those that were aware of the policy and are intending to invest over the next five years say that Investment Boost is having a positive effect on those plans, with 14% anticipating a “large increase” in investment due to the policy. Over half (57%) are adjusting other aspects of their investment planning, including: timing of investment (33%); prioritisation across projects (25%); choice between new and secondhand assets (23%); decisions to purchase rather than lease (20%).
- 9 Smaller firms indicated lower awareness of the policy and were less likely to report either recent investment spending or an intention to invest over the next five years. However, conditional on meeting these two restrictions, the share of firms indicating that Investment Boost had led to an increase in their spending was similar across firm size groups.
- 10 The survey sought quantitative information about the influence of Investment Boost on recent spending across five different categories of assets. Only 66 eligible firms provided complete responses. Among those respondents, plant and machinery was the most common asset category for which firms reported an increase in spending due to Investment Boost (41% of 66 respondents), with vehicles being the next most common (29%). This largely reflects the relative prevalence of these assets in firms’ investment activity – 82% of this group cited some spending on plant and machinery and 59% reported spending on vehicles, compared to 30% on commercial and industrial buildings, 14% on intangibles, and 26% on other asset types.
- 11 The survey did not explicitly probe policy uncertainty, and only one respondent raised this issue in free-text comments. That firm cited recent reversals in the tax treatment of property investment as undermining confidence in the durability of Investment Boost, leading it to be viewed merely as a possible “nice bonus” rather than a driver of new investment decisions.

## **Next steps**

- 12 Inland Revenue intends to make the attached Analytical Note publicly available late this month. Following the Minister of Finance’s speech earlier this month, there has been considerable media interest in Investment Boost.
- 13 One key issue raised in the survey was that awareness of Investment Boost is still mixed. Inland Revenue has an active marketing campaign in place for Investment Boost and expects awareness to increase over time. Tax agents and industry bodies have been provided with key information to enable them to support customers with understanding and accessing Investment Boost.
- 14 Inland Revenue has a number of initiatives under way to evaluate the impacts of Investment Boost. Ongoing monitoring of Investment Boost uptake will take place through Inland Revenue’s regular annual reporting channels, including the Financial Statements Summary (IR10) and the Basic Compliance Package. In addition, Inland Revenue expects to repeat the voluntary survey annually to build a picture of how awareness, uptake and influence of Investment Boost are developing as the policy beds in.

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