

Research and Development Schemes: Key Dates

We have set out an outline of key dates and requirements for the two tax regimes (being the R&D tax incentive regime and the R&D tax loss cash out regime) that can be accessed by New Zealand businesses conducting R&D in New Zealand. There is also an R&DTI in-year payments regime introduced earlier in 2023 to allow NZ businesses earlier access to their refundable R&D tax incentive credit.

We have also set out (at high level) a brief summary of the submissions. Please also refer to the Findex R&D tax incentive and the R&D in year payments scheme brochures for further details.

Date*	Income year	Submission	Submitted to
1 Dec 2023 – 15 Jan 2024	2024	RDTI in year pmt: 2 nd payment request window for expenses incurred 1 August 2023 to 30 November 2023 <i>Mid-Mar 2024 – payments made to businesses</i>	TMNZ
1 Apr 2024 – 7 May 2024	2024	RDTI in year pmt: 3 rd payment request window for expenses incurred 1 Dec 2023 to 31 Mar 2024 <i>End June 2024 – payments made to businesses</i>	TMNZ
30 April 2024	2023	R&D tax incentive: R&D supplementary return	IRD
	2023	R&D tax loss cash out: R&D tax loss cash out application	IRD
7 May 2024	2024	R&D tax incentive: General approval applications for R&D activities conducted in 2024 year	IRD

*Dates in the table above are based on a 31 March balance date

R&D tax incentive regime

General Approval Application (GAA):

The GAA is the first step in claiming the R&D tax incentive. The submission of a general approval application requires businesses to describe their research and development activities performed (or will be performed) for the income year. The general approval application can either be for that particular income year or can be requested for multi-year (extended out to another 2 years – essentially covering 3 years).

If you wish to access the R&D in year payment scheme, we recommend filing the general approval as soon as practical.

Supplementary return:

Businesses can submit their supplementary return (which can only be prepared after year-end) once they have an approved GAA. The R&D supplementary return sets out the calculation of the R&D tax incentive credit and it is due within **30 days** following the filing due date of the income tax return.

RDTI In-year payment

Under the RDTI In-Year payments scheme, eligible businesses can receive up to 80% of their R&D tax credit based on actual eligible R&D expenditure as an interest-free loan. In order to be eligible for the in-year payments, businesses must have an approved general approval application for that year or a multiyear approval. Through the in-year payment scheme businesses are allowed to make up to three payment requests (refer to table) per year.

The loan will generally become due for repayment after your RDTI Supplementary Return has been finalised by Inland Revenue.

Tax Loss Cash Out

Eligible businesses conducting R&D during the income year can choose to cash out their tax loss for that year.

You can claim the lesser of the following:

- \$2,000,000 x 28%;
- net loss for the year x 28%; or
- total R&D expenditure for the tax year x 28%; or
- (1.5 x total R&D labour expenditure for the year) x 28%

The tax loss cash-out credit received is repayable once your business starts making a profit or owes repayment tax following a loss recovery event.

Please contact our Findex Tax specialist to find out how we can assist you:



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