



• Read our booklet *Rental income (IR 264)* to help you fill in this form.

Year ended 31 March

Your name

IRD number

(8 digit numbers start in the second box.  1  2  3  4  5  6  7  8 )

Address of property rented

Period the property was available for renting  months

**Income**—read Note 2 over the page.

Total rents

Other income (specify)

Gain or loss on disposal (enter any loss in brackets)

**Total income**

|   |    |                      |   |                      |
|---|----|----------------------|---|----------------------|
| 1 | \$ | <input type="text"/> | . | <input type="text"/> |
| 2 | \$ | <input type="text"/> | . | <input type="text"/> |
| 3 | \$ | <input type="text"/> | . | <input type="text"/> |
| A | \$ | <input type="text"/> | . | <input type="text"/> |

**Expenses**—read Note 3 over the page.

Rates

\$

Insurance

\$

Interest

\$

Agent's collection fees

\$

Repairs and maintenance—read Note 4 over the page.

\$

\$

\$  \$

Other (specify)

\$

\$

\$  \$

**Depreciation**—print the details below.

Buildings—read Note 5 over the page.

\$

Assets—read Note 6 over the page.

\$  \$

**Total expenses**

**B** \$

**Net rents** (total rents less expenses)—subtract Box B from Box A and print in Box C.  
Copy this amount to your tax return.

**C** \$

**Depreciation of buildings**—read Note 5 over the page.

Date purchased     
Day Month Year

Construction materials  
and building description

**Straight line method (SL)**

Cost of buildings (excluding cost of land) Rate

\$

%

Depreciation claimed

\$

**Diminishing value method (DV)**

Opening adjusted tax value

\$

Rate

%

Depreciation claimed

\$

Closing adjusted tax value

\$

**Depreciation of assets**—read Note 6 over the page.

| Asset                | Date purchased       | Cost                    | Opening adjusted tax value | Rate                   | Method SL/DV         | Depreciation claimed    | Closing adjusted tax value |
|----------------------|----------------------|-------------------------|----------------------------|------------------------|----------------------|-------------------------|----------------------------|
| <input type="text"/> | <input type="text"/> | \$ <input type="text"/> | \$ <input type="text"/>    | <input type="text"/> % | <input type="text"/> | \$ <input type="text"/> | \$ <input type="text"/>    |
| <input type="text"/> | <input type="text"/> | \$ <input type="text"/> | \$ <input type="text"/>    | <input type="text"/> % | <input type="text"/> | \$ <input type="text"/> | \$ <input type="text"/>    |
| <input type="text"/> | <input type="text"/> | \$ <input type="text"/> | \$ <input type="text"/>    | <input type="text"/> % | <input type="text"/> | \$ <input type="text"/> | \$ <input type="text"/>    |
| <input type="text"/> | <input type="text"/> | \$ <input type="text"/> | \$ <input type="text"/>    | <input type="text"/> % | <input type="text"/> | \$ <input type="text"/> | \$ <input type="text"/>    |
| <input type="text"/> | <input type="text"/> | \$ <input type="text"/> | \$ <input type="text"/>    | <input type="text"/> % | <input type="text"/> | \$ <input type="text"/> | \$ <input type="text"/>    |
| Total                |                      |                         |                            |                        |                      | \$ <input type="text"/> |                            |

The information on this form is based on current tax laws at the time of printing.

### Note 1 General

Fill in a separate IR 3R for each property rented out. Each IR 3R covers the year to your balance date.

### Note 2 Income

Enter the total rents received in Box 1. Enter any other income related to the rental property, such as insurance receipts or rates refunds in Box 2. If you sell or dispose of any of your assets you may be required to account for the loss or gain in Box 3—call us on 0800 377 774.

Add up Boxes 1, 2 and 3 to calculate your total income. If Box 3 is a loss, subtract it from the sum of Boxes 1 and 2. Enter the total income in Box A.

### Note 3 Expenses

Claim ongoing expenses such as rates, insurance, interest and depreciation in proportion to the number of months the property was available for renting out, eg, if the property was available for 10 months, you can claim  $\frac{10}{12}$  of these expenses.

Expense for a holiday home or bach used both privately and to earn income may be subject to the mixed-use asset rules see the *Rental income* (IR 264) booklet for more information.

### Note 4 Repairs, maintenance and other expenses

Please fully explain any claims for repairs, maintenance and other expenses. You may claim repairs and maintenance but not additions or improvements to property or plant. Improvements to property or plant can be depreciated. If there isn't enough space, please attach a separate note.

### Note 5 Depreciation on buildings

From the 2011-12 income year, depreciation on buildings has reduced to 0% where buildings have an economic life of more than 50 years. For more information refer to *Depreciation – a guide for businesses* (IR 260).

### Note 6 Depreciation on assets

You may depreciate each item individually or pool some or all of the assets to calculate depreciation. Assets which can be pooled are those which:

- are not used privately, and
- cost \$2,000 or less, or
- have been depreciated so their adjusted tax value is \$2,000 or less.

Pool depreciation is calculated on the average pool value at a single rate using the DV method. The rate you must use for the pool is the lowest rate for an asset in the pool. Once you have included an asset in a pool you can segregate it only if you use the asset for private use.

If you switch from the DV to the SL method for assets not pooled, calculate depreciation on the opening adjusted tax value instead of the original cost.

The table below shows the rates of commonly used assets. These can be depreciated at the rate with the 20% loading. Secondhand assets are depreciated at the general rates. If you are depreciating a secondhand asset or any asset purchased from 21 May 2010 onwards, you are not entitled to use the 20% depreciation loading.

If you have an asset purchased before or on 20 May 2010, or you have entered into a contract to purchase the asset before or on 20 May 2010, you can depreciate it at the general rate plus 20% loading. Any asset being depreciated at a rate with loading before 21 May 2010 can continue to be depreciated at that rate for that asset's lifetime. However, if there is a capital improvement to an asset with the 20% loading, the improvement will need to be depreciated separately from the original asset, and will be depreciated without the loading allowance.

For more information about depreciation and loading, refer to *Depreciation – a guide for businesses* (IR 260).

If an asset was acquired before the end of your 1995 income year, different rates may apply. If this is the case, or an asset being used is not listed, please see our depreciation rate finder at [www.ird.govt.nz](http://www.ird.govt.nz)

### Note 7 Record keeping

Keep your receipts and invoices with your records in case we request them. You must keep all your records for seven years.

### Note 8 More information

Our booklets *Rental income* (IR 264), *Smart business* (IR 320) and *Depreciation* (IR 260) may help you. You can get these booklets and this IR 3R form at [www.ird.govt.nz](http://www.ird.govt.nz) or by calling 0800 257 773. If you need more help call us on 0800 377 774.

| Asset                        | Acquired on or after 1 April 1995 |               |              |               | Acquired on or after 1 April 2005 |               |              |               |
|------------------------------|-----------------------------------|---------------|--------------|---------------|-----------------------------------|---------------|--------------|---------------|
|                              | DV %                              |               | SL %         |               | DV %                              |               | SL %         |               |
|                              | General rate                      | Rate plus 20% | General rate | Rate plus 20% | General rate                      | Rate plus 20% | General rate | Rate plus 20% |
| Appliances (small)           | 40                                | 48            | 30           | 36            | 50                                | 60            | 40           | 48            |
| Bedding, linen               | 50                                | 60            | 40           | 48            | 67                                | 80.4          | 67           | 80.4          |
| Blinds, drapes and curtains  | 22                                | 26.4          | 15.5         | 18.6          | 25                                | 30            | 17.5         | 21            |
| Carpets                      | 33                                | 39.6          | 24           | 28.8          | 40                                | 48            | 30           | 36            |
| Crockery, cutlery, glassware | 50                                | 60            | 40           | 48            | 67                                | 80.4          | 67           | 80.4          |
| Dishwashers                  | 26                                | 31.2          | 18           | 21.6          | 30                                | 36            | 21           | 25.2          |
| Furniture (loose)            | 18                                | 21.6          | 12.5         | 15            | 20                                | 24            | 13.5         | 16.2          |
| Lawnmowers                   | 40                                | 48            | 30           | 36            | 50                                | 60            | 40           | 48            |
| Light fittings               | 18                                | 21.6          | 12.5         | 15            | 20                                | 24            | 13.5         | 16.2          |
| Microwave oven               | 26                                | 31.2          | 18           | 21.6          | 30                                | 36            | 21           | 25.2          |
| Ovens and stoves             | 22                                | 26.4          | 15.5         | 18.6          | 25                                | 30            | 17.5         | 21            |
| Paintings, drawings          | 9.5                               | 11.4          | 6.5          | 7.8           | 10                                | 12            | 7            | 8.4           |
| Refrigerators and freezers   | 22                                | 26.4          | 15.5         | 18.6          | 25                                | 30            | 17.5         | 21            |
| Televisions, videos, stereos | 33                                | 39.6          | 24           | 28.8          | 40                                | 48            | 30           | 36            |
| Utensils, pots, pans         | 50                                | 60            | 40           | 48            | 67                                | 80.4          | 67           | 80.4          |
| Washing machines, dryers     | 26                                | 31.2          | 18           | 21.6          | 30                                | 36            | 21           | 25.2          |