



• 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.)

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

<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"/>

Other (specify)

<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"/>

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 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"/>	\$ <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.

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

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 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