MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

COVERSHEET

Minister	Hon Dr Megan Woods	**Portfolio**	Research, Science and Innovation
Title of Cabinet paper	Extending Refundability for the Research and Development Tax Incentive	**Date to be published**	12 July 2019

List of documents that have been proactively released		
Date	**Title**	**Author**
14 May 2019	Extending Refundability for the Research and Development Tax Incentive	Office of the Minister of Research, Science and Innovation, Office of the Minister of Revenue
22 May 2019	Cabinet Economic Development Committee minute: DEV-19-MIN-0119	Cabinet Office
10 May 2019	Regulatory Impact Statement: R&D Tax Incentive – Refundability	MBIE, IR
13 November 2018	R&D Tax Incentive: Phase 2	MBIE, IR
13 February 2019	R&D Tax Credit: Phase 2 Policy Proposals	MBIE, IR
11 April 2019	Draft Cabinet paper: R&D Tax Incentive – Refundability	MBIE, IR, Callaghan Innovation
2 May 2019	R&D Tax Incentive: Ministerial meeting to discuss refundability	MBIE, IR
17 May 2019	Talking points for the DEV Cabinet paper: Extending Refundability for the R&D Tax Incentive	MBIE
27 June 2019	R&D Tax Incentive – refundability and small innovative firms	MBIE, IR

Information redacted **YES / ~~NO~~** *(please select)*

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MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

Inland Revenue
Te Tari Taake

Callaghan Innovation

BRIEFING

Draft Cabinet paper: R&D Tax Incentive – Refundability

Date:	11 April 2019	**Priority:**	High
Security classification:	In Confidence	**Tracking number:**	3068 18-19 IR2019/159

Action sought		
	Action sought	**Deadline**
Hon Dr Megan Woods **Minister of Research, Science and Innovation**	**Provide** feedback to officials on the attached draft Cabinet paper. **Forward** the attached draft Cabinet paper to the Minister of Finance.	15 April 2019
Hon Stuart Nash **Minister of Revenue**	**Provide** feedback to officials on the attached draft Cabinet paper.	15 April 2019

Contact for telephone discussion (if required)				
Name	**Position**	**Telephone**		**1st contact**
Kirsty Hutchison	Manager, Innovation Policy	04 901 4131	[redacted] Privacy of natural persons	✓
Keith Taylor	Policy Manager, Inland Revenue	04 890 2808	[redacted] Privacy of natural persons	
Becci Whitton	Manager, Stakeholder and Government Engagement, Callaghan Innovation		[redacted] Privacy of natural persons	

The following departments/agencies have been consulted
The Treasury

Minister's office to complete:

- ☐ Approved
- ☐ Noted
- ☐ Seen
- ☐ See Minister's Notes
- ☐ Declined
- ☐ Needs change
- ☐ Overtaken by Events
- ☐ Withdrawn

Comment

BRIEFING

Draft Cabinet paper: R&D Tax Incentive – Refundability

Date:	11 April 2019	**Priority:**	High
Security classification:	In Confidence	**Tracking number:**	3068 18-19 IR2019/159

Purpose

To provide you with a draft Cabinet paper on the design of the longer term refundability policy to replace the limited refundability policy that applies for year one of the R&D Tax Incentive.

This paper also provides advice on:

- The R&D tax loss cash out scheme
- A supplementary order paper for the *Taxation (Research and Development Tax Credits) Bill*
- Legislative vehicle and timings for refundability.

Recommended action

The Ministry of Business, Innovation and Employment, Inland Revenue and Callaghan Innovation recommend that you:

		Min. RS&I	**Min. Revenue**
a	**Note** that the refundability proposal has to balance objectives of ensuring firms in loss benefit from the R&D Tax Incentive while managing the risks around the sustainability of the scheme	*Noted*	*Noted*
b	**Note** on balance officials recommend a refundability proposal that will help ensure the sustainability of the R&D Tax Incentive scheme over time	*Noted*	*Noted*
c	**Note** this proposal will disadvantage some R&D intensive start-ups but the Ministry of Business, Innovation and Employment is currently leading review work on other interventions in the Research, Science and Innovation portfolio that could be used to support start-ups and innovative firms	*Noted*	*Noted*
d	**Agree to the proposed refundability option based on:** • inclusion of a hard cap based on payroll taxes • the proposed cap would not apply to eligible payments to approved research providers	*Agree/ Disagree*	*Agree/ Disagree*

•	the proposed cap would not apply to R&D tax credits refunded to statutory bodies		
e	**Agree** that all tax exempt organisations, except organisations receiving tax exempt income under section CW 49 of the Income Tax Act , be ineligible for the R&D Tax Incentive	*Agree/ Disagree*	*Agree/ Disagree*
f	**Agree** that local authorities, as well as entities controlled by or associated with local authorities, be ineligible for the R&D Tax Incentive	*Agree/ Disagree*	*Agree/ Disagree*
g	**Agree** not to set an additional $5 million cap on refundability in order to incentivise large established R&D performers (who will still be subject to the $120 million cap on R&D expenditure)	*Agree/ Disagree*	*Agree/ Disagree*
h	**Agree** to release the supplementary order paper that is attached to this briefing before the Committee of the Whole House stage of the *Taxation (Research and Development Tax Credits) Bill*	*Agree/ Disagree*	*Agree/ Disagree*
i	**Agree** to including remedial amendments in the Taxation (1st 2019 Omnibus Issues, and Remedial Matters) Bill in relation to provisions identified in the reported back version of the *Taxation (Research and Development Tax Credits) Bill* that do not fully achieve the policy intent	*Agree/ Disagree*	*Agree/ Disagree*
j	**Note** officials will continue to work on the regulatory impact assessment and will send you a final version before the Cabinet paper is submitted to Cabinet Economic Development Committee on 16 May 2019	*Noted*	*Noted*
k	**Note** that officials will use the draft Cabinet paper to undertake inter-departmental consultation	*Noted*	*Noted*
l	**Note** any feedback on the Cabinet paper will be required by 15 April 2019, or as soon thereafter as possible, to meet the lodgement date for Cabinet Economic Development Committee on 16 May 2019	*Noted*	*Noted*
m	**Agree** to forward the attached Cabinet paper to the Minister of Finance.	*Agree/ Disagree*	*Agree/ Disagree*

Privacy of natural persons [redacted]

Kirsty Hutchison
Manager, Innovation policy
Labour, Science and Enterprise, MBIE

11 / 04 / 19

Hon Dr Megan Woods
Minister of Research, Science and Innovation

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Privacy of natural persons [redacted]

Keith Taylor
Policy Manager
Inland Revenue

11 / 04 / 19

Hon Stuart Nash
Minister of Revenue

..... / ...... / ......

Privacy of natural persons [redacted]

Becci Whitton
Manager, Stakeholder and Government Engagement
Callaghan Innovation

11 / 04 / 19

Background

1. Draft legislation introducing the R&D Tax Incentive from the 2019/20 tax year is currently before the House and provides for the R&D Tax Incentive scheme to commence from 1 April 2019 for most businesses.[1]

2. Refundability of tax credits is an important part of the R&D Tax Incentive and will help incentivise R&D for firms in tax loss. Refundability refers to paying out the R&D tax credit to firms who are in a tax loss position, or have insufficient income tax liability to offset the credit against. Providing a refund ensures that all firms doing R&D receive the benefit of the tax credits they are eligible for under the R&D Tax Incentive.

3. Cabinet agreed to provide limited refundability for firms in a tax loss position for the first year of the R&D Tax Incentive scheme and noted that the design features for refundability will likely change in subsequent years (DEV-18-MIN-0174 refers).

4. The limited refundability mechanism in the *Taxation (Research and Development Tax Credits) Bill* caps refundable tax credits available in the 2019/20 tax year to $255,000. The eligibility criteria are the same as in the R&D tax loss cash-out scheme.

5. Officials developed a longer term refundability proposal to use for discussion with key stakeholders (IR2019/005; 2296 18-19 refers). The basis of the proposal was that refundability would be widely available to firms in a tax loss position. This is consistent with the objective of providing broad-based support for R&D. However, in order to manage the risks that refundability creates to the sustainability of the scheme, officials proposed that the amount of credits refunded to firm in a year would be limited to the lesser of:

   - the amount of PAYE paid by a firm; and
   - a cap of $5 million.

6. Officials engaged on this proposal during February and March 2019, with a range of organisations including:

   - Corporate Taxpayers' Group (and a selection of their members in a loss making position including Xero and Fisher and Paykel Appliances); Chartered Accountants Australia and New Zealand; representatives from PwC, KPMG, Deloitte and EY;
   - Approximately 25 representatives from R&D performing firms in loss or with insufficient taxable income to fully utilise non-refundable R&D tax credits;
   - Other large established R&D performers, including Fonterra, Zespri, LIC Automation and Ballance Agri-Nutrients;
   - Levy bodies; charities; and Māori business representatives.

   Annex Two includes a list of organisations who took part in the stakeholder engagement process.

Refundability

7. The draft Cabinet paper attached at **Annex One** sets out the design of the longer term refundability policy for inclusion in the *Taxation (1st 2019 Omnibus Issues, and Remedial*

[1] The R&D Tax Incentive applies from the beginning of the 2019/20 income year, which means the date from which it applies depends on the balance date of each individual claimant. For most standard balance date (31 March) claimants, the R&D Tax Incentive will apply from 1 April 2019.

Matters) Bill. Incorporated in it are proposals developed as a result of the engagement process outlined above and additional policy analysis.

8. The draft Cabinet paper recommends the following refundability policy option for the Tax Incentive:

- *All firms would be entitled to a full refund of their R&D tax credits, to the extent their R&D tax credits are equal to or less than the amount of 'payroll' taxes paid by a firm in the relevant income year (proposed cap)[2]:*
  - *i. The cap would not apply to R&D carried out by approved research providers;*
  - *ii. The cap would not apply to R&D tax credits refunded to statutory bodies.*
- *All tax exempt organisations, except organisations receiving tax exempt income under section CW 49 of the Income Tax Act, will be ineligible for the R&D Tax Incentive;*
- *All local authorities, as well as entities controlled by or associated with local authorities, will be ineligible for the R&D Tax Incentive.*

Existing measures to protect the integrity of the scheme

9. The R&D tax incentive scheme has a range of measures built into it to ensure its sustainability over the long term:

- Qualifying for the R&D Tax Incentive requires R&D activity to be primarily undertaken in New Zealand. This closes off some of the fraud risks experienced in other jurisdictions associated to R&D occurring offshore.
- The minimum R&D expenditure threshold of $50,000 reduces the risk of a large number of very small claims being submitted. This means that more resources can be focused on working with applicants during the in-year approval process.
- The in year-approval system, with a single point of contact between business and the core R&D team within Inland Revenue, will help identify fraudulent claims through the flagging of unusual R&D applications and/or behaviour.

10. These measures will provide robustness and integrity for the scheme. However, given the experience of overseas jurisdictions, we are not confident they would be sufficient to manage the risks associated with refundability and consequently we have proposed a cap on payroll taxes.

Cap based on payroll taxes

11. Our recommended refundability policy option, which involves a cap based on payroll taxes[3], means **full** refundability will not be as widely accessible as some firms would like.

Stakeholder engagement revealed early stage R&D intensive firms are disadvantaged by a PAYE cap, options to soften the impact were explored, including a tangible economic presence test

12. Some types of firms would be disadvantaged by a PAYE cap for a number of reasons. This includes early stage R&D intensive firms who choose to have contractors over employees to reduce their financial risk, start-ups where people work on an unpaid basis in return for a stake in the company, and small to medium-sized software firms where it is more common to

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[3] Payroll taxes would include PAYE, fringe benefit tax, employer superannuation contribution tax and withholding tax on schedular payments

have flexible work arrangements[4], and firms where capital is used over labour. Representatives from KPMG considered that flexible work arrangements are becoming more commonplace across all sectors and they expect the trend to continue in future.

13. As a result of the stakeholder engagement officials explored alternatives to a hard PAYE cap, specifically a tangible economic presence (TEP) test. The TEP test developed by officials required firms to choose one of the following measures to satisfy the test:

- PAYE paid by the firm is greater than the amount of tax credit to be refunded;
- Obtaining verification of TEP from a chartered accountant or practising lawyer;
- Obtaining verification from Inland Revenue that a firm has TEP.

14. The TEP test is an attractive option that has broader reach and impact for firms who most need refundability support, but it is not sufficient to address the risks of fraud. Discussions with United Kingdom (UK) officials found that the risks of fraud in relation to refundability are more pervasive than previously considered. UK officials suggested that relying on a chartered accountant or practising lawyer for certification of TEP may not be robust, and additional Inland Revenue checks might lead to administration resources being focused on audit rather than the approval of R&D activity.

Officials recommend including a hard cap on PAYE to address fraud risk, but recommend broadening it to 'all payroll taxes' to soften the impact

15. Early stage R&D intensive firms are important participants within the innovation system both as a source of value-add employment and the development of a more productive and diversified economy. To ensure these firms can benefit as much as possible from the scheme we have broadened the proposal to include:

- all payroll taxes;
- R&D tax credits resulting from payments to approved research providers.

16. Based on analysis undertaken by Inland Revenue, broadening the definition from PAYE to include fringe benefit tax and withholding tax on schedular payments does not have a large impact (around 1.5 per cent increase). However, a recent legislative change allows firms and contractors to enter into voluntary schedular arrangements and deduct withholding tax. We would anticipate that firms who would otherwise be disadvantaged by the cap based on payroll taxes paid could use this provision.

17. Officials are investigating the impact of a payroll cap on firms. Officials will report to you on this, through its incorporation into the regulatory impact assessment (RIA).

18. The most consistently voiced theme during consultation is how crucial cash is to the survival of early stage R&D intensive firms. Therefore the recommended option will ensure refundability is available to most firms in a tax-loss position (either as a partial or full refund of tax credits). It will also be simple to administer.

19. It is a conservative approach with reduced benefits for some firms. On balance, we recommend this option because it manages the problems seen in other jurisdictions[5]. Officials consider this option to be a viable starting position for introduction of the legislation and we will continue to explore how other jurisdictions manage risks and enable refundability.

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[4] For example, staff may choose to be contractors rather than employees to give them maximum flexibility over their working arrangements

[5] In the UK, HM Treasury and HMRC have released a consultation document 'Preventing abuse of the R&D tax relief for SMEs', April 2019, which proposes that a PAYE-related cap is reintroduced to the R&D tax credit scheme for SMEs. This policy has been driven by a concern over growing levels of fraud within the scheme since the removal of the PAYE cap.

There are other mechanisms in the Research, Science and Innovation portfolio that are currently under review that can be used to further support R&D intensive start-ups

20. In addition to the *Tax Incentive*, the Research, Science and Innovation portfolio has a suite of other interventions that can be used to support R&D intensive start-ups.

21. MBIE, in conjunction with Inland Revenue and Callaghan Innovation, is leading a programme of work to review interventions for R&D intensive start-ups in light of the shifting R&D funding environment. This includes: a review of Callaghan Innovation's R&D Project Grants; reviewing the R&D tax loss cash out scheme; and a commitment to a refreshed and more ambitious Technology Incubator Programme. MBIE is also leading work, through the New Zealand Venture Capital Fund, to deepen capital markets to support high-growth/scale-up firms involved in disruptive technology.

22. There is also a commitment for further policy work to be undertaken as part of the *Tax Incentive* to simplify administration processes for small to medium enterprises.

Removal of the $5 million cap

23. Our recommended option removes the previous proposed $5 million cap on refundability.

A small number of large established R&D performers will be constrained by a $5 million cap on refundability

24. Stakeholder engagement revealed that there were a small number of established R&D performers who would be constrained by the $5 million cap. For example a company[6] in a loss making position undertaking around $80 million of R&D annually, would be eligible for $12 million of R&D tax credits. Under the proposed cap the company would receive a $5 million refund on its R&D tax credits and would have to shift the remaining $7 million credits into future years. But because the company spends a large amount of R&D on an on-going basis they are unlikely to be able to cash out fully their accumulation of carry-forward R&D credits.

25. There are a number of established R&D performers who valued the security refundability would bring to their R&D programmes. These companies are mainly in a tax-paying situation but depending on market fluctuations they could be in a temporary loss-making position in future. Refundability would give these firms surety, allowing them to continue their R&D investment during market down-turns. Some of these established R&D performers would also be constrained by a $5 million cap.

Removing the $5 million cap will incentivise large established R&D performers to undertake more R&D and increase the attractiveness of the scheme off-shore

26. The removal of the $5 million cap reduces inequity for large established R&D performers. While the number of New Zealand firms who would be constrained by a $5 million cap is small their contribution to the innovation system is significant. In 2016, 26 per cent of all BERD was carried out by six firms that spent $25 million or more on R&D. Removing the $5 million cap will help incentivise these firms to undertake greater levels of R&D.

27. Removal of the cap may also help attract R&D performing multi-national corporations (MNCs) to New Zealand. New Zealand currently lacks the very large MNCs which tend to drive R&D expenditure in other countries. The removal of the $5 million cap, while retaining the cap based on payroll taxes, will ensure that MNCs are contributing to New Zealand's economy at a minimum through benefits such as providing employment opportunities in New Zealand.

28. The $120 million cap on R&D expenditure with discretion to exceed it through a pre-registration process would continue to apply to all R&D performers.

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[6] Details withheld

29. Officials understand that Ministers might prefer the assurance that a maximum cap on refundability brings to the scheme in terms of fiscal budgeting and public perceptions. If Ministers choose to include a cap on refundability (additional to the cap based on payroll taxes), then we suggest it should be set at $5 million, on the basis that loss-making firms currently receive up to $5 million per year from Callaghan Innovation's R&D Growth Grants.

30. If Ministers prefer to include a cap on refundability then officials will provide further advice on threshold options to ensure firms are not disadvantaged.

Treatment of tax-exempt organisations

31. Our recommended option ensures that levy bodies, some of whom are tax exempt, are eligible for refundability but recommends that other tax exempt organisations are excluded from the R&D Tax Incentive.

Levy bodies were intended to be part of the scheme and will only benefit from refundability

32. Cabinet agreed to include levy bodies in the R&D Tax Incentive (DEV-18-MIN-0174).

33. Levy bodies are not by definition tax exempt organisations, but some may be tax exempt because of section CW 49 of the Income Tax Act 2007. Section CW 49 provides that the income of certain entities is exempt income, if the entities are established for the main purpose of promoting or encouraging research. It is proposed that tax exempt organisations, such as charities, be ineligible for the R&D Tax Incentive. However, a carve-in is proposed for entities that receive exempt income under CW 49, so that these entities are eligible for the R&D Tax Incentive. Entities who receive income under section CW 49 do not receive the same tax concessions as charities (such as donor tax credit status, GST and FBT concessions), and are specifically established for the main purpose of promoting or encouraging research. The amount of R&D tax credits refundable to these entities would still be subject to the proposed cap based on payroll taxes, unless the relevant entity is established by statute. As a result, levy bodies established by statute would have fully refundable R&D tax credits.

34. Engagement revealed that levy bodies undertake research projects independent of MBIE science investment funding. If levy bodies are eligible for refundable R&D tax credits, the amount they invest in independent research would likely increase.

Charities sit outside of the tax system and should be excluded from the tax incentive but a charity with a partially controlled business entity is eligible in order to address post-settlement governance entities

35. Some charities, particularly in the health sector, undertake R&D that would qualify under the R&D tax incentive. But the estimated amount of R&D conducted in the charitable sector appears to be small[7]. Charities also sit outside the tax system giving them preferential tax treatment over firms. On this basis we do not consider it appropriate to extend further benefits to charities through the tax system as would be the case if they were eligible for the R&D tax incentive.

36. There are a small number of post-settlement governance entities (e.g. Ngāi Tahu) that are registered as charities. To ensure they are not unduly penalised for a governance structure imposed on them we propose not including broader association rules in relationship to charities. This would mean that a charity could set up a partially controlled business entity, subject to the rules within the constitution of the charity, which would not have tax exempt status and therefore be eligible for the R&D Tax Incentive. We understand that post-settlement governance entities generally have more scope to set up partially controlled

[7] The 2018 R&D survey showed that $99 million of funds for internal R&D comes from 'other funding sources'. Specific questionnaire wording is 'Other funding sources (e.g. the Lotteries commission, cancer society and charities)'.

business entities than standard charities. We also understand it is reasonably difficult for a charity to change the rules of its constitution without putting its charitable status at risk.

Tax loss cash out

Policy issues around the 'tax loss cash out' scheme are complex and further policy work is required before reform is possible

37. Our previous advice noted our intention to review the R&D tax loss cash out scheme. During stakeholder engagement we explored the value of this scheme to firms and the potential interactions it has with refundability of the R&D tax credit.

38. This provided useful information but also confirmed the issues are relatively complex and require consideration of the scheme itself, its interaction with the R&D Tax Incentive, and how it fits with other government policies both in the tax system (for instance the loss continuity rules) and with regard to government support for R&D intensive start-ups and innovative firms.

39. Because of time pressures associated with developing the broader refundability policy so that it can be incorporated in legislation in 2019, we propose it is sensible to decouple changes to the R&D tax loss cash out and refundability. Officials will continue to work on possible reform of the R&D tax loss cash out and anticipate discussing options with Ministers later in 2019. This will mean that policy changes are not likely to be implemented until the 2021/22 income tax year[8].

Taxation (Research and Development Tax Credits) Bill supplementary order paper

40. We have identified we will need a supplementary order paper (SOP) for the *Taxation (Research and Development Tax Credits) Bill*.

41. The current Bill allows Inland Revenue to communicate information about tax credits to Callaghan Innovation. However, Inland Revenue's legal department has indicated this is insufficient for Callaghan Innovation's role as co-administrator of the tax incentive. The SOP will enable Inland Revenue to provide access to its systems so that Callaghan Innovation can function effectively as a co-administrator of the tax incentive.

42. The SOP will amend clause 37B of the Bill, which amends clause 39 of schedule 7 of the TAA[9] by adding a new 39(3). Subsection (3) provides for personnel from Callaghan Innovation to access the information necessary for administering the tax incentive.

43. The SOP also makes a small number of minor typographical corrections. **Annex Three** sets out the SOP for inclusion into legislation.

Remedial legislative issues

44. We have identified a small number of issues where the legislation in the reported back version of the Taxation (Research and Development Tax Credits) Bill does not fully achieve the policy intent. Issues identified relate to allocating R&D tax credits to members of joint ventures; the time available for businesses to complete the R&D tax credit claim disputes

[8] From the 2020/21 income year most applicants for the R&D Tax Incentive will go through an in-year approval, while the R&D loss tax cash out is an end-of-year process. For customers that are eligible for both schemes this may result in a suboptimal claim experience. Officials will seek to make service improvements, until policy changes can be made.
[9] Schedule 7 was inserted by the Taxation (Annual Rates for 2018-19, Modernising Tax Administration, and Remedial Matters) Act 2019 (ARMTARM Act). The version of the Tax Administration Act 1994 published on the New Zealand Legislation website does not yet include schedule 7 because the ARMTARM Act received royal assent on 18 March 2019.

process; and the R&D certifier regime. These issues will not have any practical impact until claims are submitted in respect of the 2019/20 income year. This means that they need to be corrected by 1 April 2020. Officials propose that rather than correcting these issues through a SOP, these issues would instead be corrected through remedial legislative changes included in the Taxation (1st 2019 Omnibus Issues, and Remedial Matters) Bill.

Regulatory impact assessment

45. The regulatory impact assessment (RIA) is being reviewed by officials from the Ministry of Business, Innovation and Employment. Changes will be made to the RIA to incorporate feedback from this review process.

46. The assessment will be finalised in time for submission of the Cabinet paper to the Economic Development Committee on 16 May. The RIA will be provided to your office before the end of April.

Next Steps

47. We recommend you provide feedback to officials on the Cabinet paper by 15 April, or as soon thereafter as possible. We will incorporate your feedback and provide you with a revised draft Cabinet paper which you can use for consultation with your colleagues, coalition partner and confidence and supply partner. Officials will use the same draft Cabinet paper to undertake interdepartmental consultation.

48. In order to meet the legislative timetable, we recommend the Cabinet paper is lodged on 16 May 2019, for consideration at Cabinet Economic Development Committee on 22 May 2019.

49. Subject to Cabinet agreement, the expected introduction of refundability through the *Taxation (1st 2019 Omnibus Issues, and Remedial Matters) Bill* will be June 2019. **Annex Three** sets out timings for refundability legislation.

Annexes

Annex One: Cabinet Paper, Refundability within the Research and Development Tax Incentive

Annex Two: List of organisations who took part in refundability consultation

Annex Three: Taxation (Research and Development Tax Credits) Bill supplementary order paper

Annex Four: Legislative timings for refundability

Annex One: Cabinet paper, Refundability within the Research and Development Tax Incentive

Annex Two: List of organisations who took part in refundability consultation

Accounting firms

1. EY
2. Deloitte
3. PwC
4. KPMG

Other organisations

1. Chartered Accountants Australia and New Zealand
2. Corporate Taxpayers' Group
3. Quadrent (Investment fund)
4. PM's Business Advisory Council (represented by Peter Beck)
5. Federation of Maori Authorities
6. NZ Tech

Businesses

1. Biotelliga
2. EcoPortal
3. SMX Email
4. COMPAC / TOMRA
5. Rakon
6. Vend NZ
7. New Zealand Steel
8. Avertana
9. CustomerEcho / Interacto
10. Beca
11. GPS-it
12. Core Builders Composites
13. Parkable
14. CS-VUE
15. Blerter
16. Volpara Health Technologies
17. Mt Kemble Ltd
18. Signal
19. Roger Ford (New Zealand Software Association)
20. Advanced Management Systems
21. The Property Crowd
22. Smart Parking Technology Limited
23. WSP
24. Air New Zealand
25. Xero
26. Fisher and Paykel Appliances
27. Fisher and Paykel Healthcare
28. Parininihi ki Waitotara

Levy bodies and charities

1. Malaghan Research Institute
2. Beef + Lamb
3. Horticulture New Zealand
4. New Zealand Cancer Society
5. Forest Growers Owners Association

Co-operatives

1. Fonterra
2. Zespri
3. LIC automation
4. Ballance Agri-Nutrients

Annex Three: Taxation (Research and Development Tax Credits) Bill supplementary order paper

Annex Four: Legislative timings for refundability

DEV covering report + Cab paper + RIS to Ministers	Thursday 11 April (draft), Thursday 2 May (final)
Drafting finalised	Monday 13 May
Bill to Justice for BORA VET	Thursday 16 May
Papers submitted to Cab office for DEV	Thursday 16 May
DEV	Wednesday 22 May
Cabinet approval of policy	Monday 27 May
Papers submitted to Cab office for LEG	Thursday 13 June
LEG	Tuesday 18 June
Cabinet approval of Leg	Monday 24 June
Caucus and support party approval	Tuesday 25 June
Introduction	From Wednesday 26 June
First reading and FEC referral	Tuesday 23 July