

# Draft QWBA Depreciation – change of use event PUB00343

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*CA ANZ submission*



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Dear Melanie

**Depreciation – change of use event PUB00343**

Thank you for the opportunity to comment on this exposure draft.

We agree with the analysis and conclusion proposed.

For completeness the exposure draft should address the fact that depreciation deductions will be denied from the commencement of the income year in which the change of use arises.

We suggest adding an example illustrating when the depreciation recovery income will arise and be required to be returned by the taxpayer; and also that no depreciation loss will be deductible in that income year.

It would also be helpful if the exposure draft confirmed that, except in the case of a building, a depreciation loss arising from a change in use when a business becomes a charity would be deductible.

We are happy to discuss our submission with you. Please contact Lindsay Ng in this regard.

Yours sincerely



**John Cuthbertson**  
NZ Tax and Financial Services Leader



**Lindsay Ng**  
Senior Tax Advocate