

**EXPOSURE DRAFT - FOR COMMENT AND DISCUSSION ONLY**

Deadline for comment: **13 October 2022**

Please quote reference: **ED00244**

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**DETERMINATION** > DEPRECIATION > GENERAL

# **Tax Depreciation Rates for automated ship mooring systems**

Issued: DD MM YYYY

**DEPXXX**

This determination sets depreciation rates for automated ship mooring systems used in the ordinary course of business.

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## Note to Determination DEPXXX:

The Commissioner has been asked to consider what depreciation rate should apply for automated ship mooring systems, as the name implies are used for mooring ships at wharves and port facilities.

Automated mooring systems (or AMS) replace traditional mooring lines with an automatic moveable high strength steel arm connected to the wharf with a vacuum pad on the end of it. The pad clamps (or literally sucks itself onto) to the side of the vessel and the arm restrains and dampens the movement of the vessel against the wharf by means of hydraulics. Another AMS design similar to the vacuum type, but the pad arrangement uses electro-magnetic attraction rather than vacuum to fasten the pad to the ship hull. For large vessels, multiple units are employed at each wharf.

AMS units are either mounted on top of the wharf or, where areas have large tides that would exceed the vertical movement of the units between high and low tides, the AMS can be "face-mounted" on a ladder-like structure attached to the face of the wharf so that they can be moved vertically in step with the tide. Some AMS are ship mounted using a seven-axis robotic arm to place mooring cables (with preformed semi-rigid loops at the wharf end) over the bollards on the wharf, or another system that substitutes bollards on the wharf for a remotely automated winch.

This determination introduces a generic asset class description to cover the varied designs for AMS technology.

# Determination DEPXXX: Tax Depreciation Rates

## General Determination Number XXX

This determination may be cited as "Determination DEPXXX Tax Depreciation Rates General Determination Number DEPXXX: Automated ship mooring systems available for use in the ordinary course of business.

### 1 Application

This determination applies to taxpayers who own items of depreciable property of the kind listed in the tables below.

This determination will apply 1 April 2021, with application to the 2022 and subsequent income years.

### 2 Determination

Pursuant to section 91AAF of the Tax Administration Act 1994, the general determination will apply to the kind of items of depreciable property listed in the table below by:

- Adding into the "Transport" asset category, the new asset class, estimated useful life, and general diminishing value and straight-line depreciation rates listed below:

Asset class	Estimated useful life (years)	DV rate (%)	SL rate (%)
Automated ship mooring systems (vacuum, magnetic, hydraulic or winch type)	10	20	13.5

### 3 Interpretation

In this determination, unless the context otherwise requires, words and terms have the same meaning as in the Income Tax Act 2007 and the Tax Administration Act 1994.