

**TAX BENEFITS AND PREFERENCES  
IN “KALUGA” SPECIAL ECONOMIC ZONE**

**Federal tax benefits**

№	Tax/preference	Reduced tax/preference rate	Effective period	Legal provisions
1	<b>Corporate property tax</b>	Resident companies of the special economic zone will be exempt from the corporate property tax if the property: <ul style="list-style-type: none"> <li>• is included into the organization’s balance sheet;</li> <li>• has been created or bought for the purpose of the activities in the special economic zone;</li> <li>• is used in the special economic zone under the agreement on the creation of the special economic zone;</li> <li>• is located in the special economic zone.</li> </ul>	10 years starting from the registration of the property	item 17 of art. 381 of the Russian Tax Code
2	<b>Land tax</b>	Special economic zone residents will be exempt from the land tax (applicable to the land plots in the special economic zone)	5 years starting from the moment when the title in each land plot arises	Item 9 of Art. 395 of the Russian Tax Code
3	<b>Income tax</b>	For all types of economic activities <b>2%</b>		Art. 284 395 of the Russian Tax Code
4	<b>VAT and customs duties</b>	Free customs zone will be a customs procedure were products are placed and used in the special economic zone as exempt from customs duties and taxes.		

5	<p><b>Other corporate profit tax preferences for the duration of the special economic zone (49 years).</b></p> <p>R&amp;D expenses (also if such research and development were not successful) will be recognized in their actual amount in the reporting (tax) period where they are incurred.</p> <p>An incremental ratio of not higher than 2 can be applied to the basic depreciation rate of the organization's own fixed assets (item 2 of art. 262 and subitem 3 of item 1 of art. 259 of the Russian Tax Code).</p>
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6	<p><b>Personal income of foreign nationals defined as highly qualified specialists and employed by SEZ residents</b> is subject to the individual income tax at the rate of 13 percent (Article 224, section 3 of the Tax Code of the RF). The individual income tax rate shall be established at 30 percent for income received by foreign nationals who are not tax residents of the Russian Federation and who carry out labor activities in territories other than SEZ. Individuals who are physically present in the Russian Federation for not less than 183 calendar days over 12 consecutive months shall be recognized as tax residents.</p>
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<b>Regional tax benefits</b>				
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№	Tax	Reduced tax rate	Effective period	Legal provisions						
1	<b>Corporate income tax</b>	<p>Applicable to the following economic activities:</p> <ol style="list-style-type: none"> <li>1. Manufacture of machines and equipment;</li> <li>2. Timber production and wood processing;</li> <li>3. Manufacture of car (engine) parts and accessories.</li> </ol>	<table border="1" style="width: 100%;"> <tr> <td style="text-align: center; vertical-align: middle;">0%</td> <td style="text-align: center; vertical-align: middle;">for 5 years starting from the tax period in which company gets a status of resident of special economic zone</td> </tr> <tr> <td style="text-align: center; vertical-align: middle;">3%</td> <td style="text-align: center; vertical-align: middle;">for 4 years from the sixth to the ninth tax period including the year of resident status of special economic zone obtaining</td> </tr> <tr> <td style="text-align: center; vertical-align: middle;">5%</td> <td style="text-align: center; vertical-align: middle;">for 2 years from the tenth to the eleventh</td> </tr> </table>	0%	for 5 years starting from the tax period in which company gets a status of resident of special economic zone	3%	for 4 years from the sixth to the ninth tax period including the year of resident status of special economic zone obtaining	5%	for 2 years from the tenth to the eleventh	<p>Law of Kaluga region No. 228-OZ on amendments to the law 'On rate reduction of the corporate profit tax paid to the regional budget for investors conducting investment activities in Kaluga region and resident organizations of Kaluga region special economic zones' dated 23th June 2017.</p>
0%	for 5 years starting from the tax period in which company gets a status of resident of special economic zone									
3%	for 4 years from the sixth to the ninth tax period including the year of resident status of special economic zone obtaining									
5%	for 2 years from the tenth to the eleventh									

			tax period including the year of resident status of special economic zone obtaining
		8%	for 2 years from the twelfth to the thirteenth tax period including the year of resident status of special economic zone obtaining
		10%	for 2 years from the fourteenth to the fifteenth tax period including the year of resident status of special economic zone obtaining
		13,50%	from the sixteenth tax period including the year of resident status of special economic zone obtaining until the expiration date of the special economic zone
		<b>For other types of economic activities:</b>	
		5%	for 10 years starting from the tax period in which company gets a status of resident of special economic zone
		9%	for 5 years starting from the eleventh to the fifteenth tax period in which company gets a status of resident of special economic zone
		13,50%	from the sixteenth tax period including the year of resident status of special economic zone obtaining until the expiration date of the special economic zone

2	<b>Transport tax</b>	0 % for trucks and other self-propelled tired or tracked vehicles, machines and mechanisms which are registered and included into the organization balance sheet after its obtaining a status of SEZ resident	10 years starting from the registration of the vehicle	Subitem 10 of item 1 of Art. 5 of Law of Kaluga region No. 156-OZ 'On the transport tax in Kaluga region' dated 26 November 2002
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**Guarantees Against Unfavorable Changes In Legislation Regulating Sez Taxation**

**Tax and customs benefits are provided on the basis of certificates confirming registration of an individual as a SEZ resident issued by the Ministry of Economic Development of the Russian Federation.**

**Legislative acts of the Russian Federation concerning taxes and levies which may be unfavorable to taxpayers — SEZ residents — except for legislative acts of the Russian Federation in the sphere of taxes and levies concerning excisable goods shall not apply to SEZ residents during the term of the industrial production agreement (Article 38 of Federal Law No. 116-FZ On special economic zones in the Russian Federation of July 22, 2005).**