# Incentives for Investors, local taxes




**Income tax**

When running business activity within the area of Lodz Special Economic Zone, the investors may obtain regional state aid which is granted in the form of the personal or corporate income tax exemption. The state aid may be granted for:

- setting up a new investment,
- creating new workplaces.

Investors can freely choose the aid they want to obtain and benefit from. They receive support until the full amount of state aid is not used up.

Subzone Kutno, as well as the whole Łódz Special Economic Zone, offers the highest level of state aid in Europe. It amounts to:

- **55%** for small enterprises,
- **45%** for medium enterprises,
- **35%** for large enterprises.

**Real Estate Tax**

Moreover, there is an opportunity to acquire property tax exemption (in the borders of the City of Kutno) for investments :

• generating high employment - up to 5 years

• generating high investment outlays - up to 3 years.

A short part of text of resolution of Kutno City Council (04.03.2015) regarding real estate tax release and resolving the Regional Assistance Program (important sections)

The regional assistance program for entrepreneurs creating new jobs as the effect of realization of new investment dispensed at the area of Kutno City.

"(...) § 1.

Shall be exempted from the real estate tax:

- newly constructed buildings or parts thereof,

- newly constructed constructions or parts thereof,

- related land

connected with business activities under the regional investment aid.

(...)

§ 4.

1. The exemption referred to in § 1 of this resolution shall be entitled to support initial investment or job creation as a result of the initial investment.

2. The exemption referred to § 1 of this resolution to support initial investment shall apply from 1 January of the year following the year in which the construction of buildings or building or part thereof has been completed; or started the use of the building or the building or parts thereof before final finishing in subject to the submission by 31 January of the documents referred to in § 7. 1 of this resolution and shall be entitled (subject to the relevant aid intensities) for the period:

1) 1 year - if the value of the eligible costs amounted to at least 10 million;

2) 2 years - if the value of the eligible costs amounted to at least 20 million;

3) 3 years - if the value of the eligible costs amounted to at least 30 million.

3. The exemption referred to § 1 of this resolution on the creation of jobs as a result of an initial investment shall apply from 1 January of the year following the year in which the construction of buildings or building or part thereof has been completed; or started the use of the building or the building or parts thereof before final finishing in subject to the submission by 31 January of the documents referred to in § 7. 2 of this resolution, subject to paragraph. 4 and is entitled (subject to the relevant aid intensities) for the period:

1) 1 year - if in the period of 3 years from the date of completion of the investment, and in connection with its implementation, there was a net increase in the number of employees by 20;

2) 2 years - if in the period of 3 years from the date of completion of the investment, and in connection with its implementation, there was a net increase in the number of employees by 50;

3) 3 years - if in the period of 3 years from the date of completion of the investment, and in connection with its implementation, there was a net increase in the number of employees by 100;

4) 4 years - if in the period of 3 years from the date of completion of the investment, and in connection with its implementation, there was a net increase in the number of employees by 150;

5) 5 years - if in the period of 3 years from the date of completion of the investment, and in connection with its implementation, there was a net increase in the number of employees by 300. (...)"



**Property taxes in 2021:**

- on buildings or their parts used for business activities – 22,75 PLN/1m2,
- on other structures - 2% of the total value,
- on land for business purposes – 0,90 PLN/1 m2.

In the past, the Kutno district had been classified as one of high unemployment risk. This fact has launched a series of supportive activities to encourage new businesses, including e.g. donations from The District Labor Office for trainings, partial refunds for newly employed.

City Hall declares full helping and support for investors in all of the administrative steps before start of the enterprise.