



Research & Development and Government Incentives October News

27 October 2016

Tax incentives for TASEG residents of Zabaikalsky Territory and Sakhalin Region

Residents of the Territories of Advanced Social and Economic Growth (TASEGs) are now entitled to apply tax benefits in Zabaikalsky Territory and the Sakhalin Region starting from October 2016.

Thus, residents of TASEGs located in [Zabaikalsky Territory](#) and the [Sakhalin Region](#) are now entitled to apply a reduced [corporate profit tax rate](#) of 5 percent for a five-year period starting from the fiscal period in which the first operating profit is generated and recorded, and 12 percent over the next five years.

Residents of TASEGs will also be entitled to apply corporate property tax benefits as follows:

- [Corporate property tax](#) exemption for the residents of TASEGs located in Zabaikalsky Territory and the Sakhalin Region. According to the law, this tax benefit has an indefinite term.
- A zero percent rate over the first five years starting from the year of registration as a TASEG resident in the Sakhalin Region, and a 1.1 percent rate over the next five years.

20 October 2016

Regions to grant corporate property tax benefits with respect to movable property

The RF State Duma will consider a [draft law](#) according to which the application of corporate property tax benefits with respect to movable property specified in Item 25 of Article 381 of the RF Tax Code will only be possible if a respective law is adopted in the region.

It should be noted that there is a practice where regions were granted federal tax incentives. Thus, starting from 2013, regions are entitled to grant corporate property tax benefits to public railways, federal roads, main pipelines, power transmission facilities and property that is an integral technological component of the above objects. As a consequence, restrictions were introduced with respect to the above benefits as most regions failed to adopt a respective law. Moreover, there has been a considerable rise in the number of court proceedings pertaining to the applicability of the above benefits.

19 October 2016

Application of preferential insurance rates for IT-companies may be extended until 2023

The Russian Government intends to extend the application of preferential insurance rates for IT-companies until 2023.

An anti-corruption expertise of the draft law prepared by the [Russian Ministry of Telecoms and Mass Communications](#) was completed in September 2016. It is expected that the draft law will soon be submitted to the Russian Government for consideration.

19 October 2016

Extension of tax incentives for residents of Special Economic Zone of technological innovation type Zelenograd

A [draft law](#) has been introduced to the Moscow City Duma under which it is proposed to extend the application by the residents of the Special Economic Zone of technological innovation type Zelenograd of a reduced corporate profit tax rate payable to the regional budget in the amount of 13.5 percent until 1 January 2021.

This law is expected to extend to legal relations that arose on or after 1 January 2016.

17 October 2016

Tax incentives for Free Port residents in Sakhalin Region and Khabarovsk Territory

In July 2016, the Korsakov Urban District (Sakhalin Region) and the Vaninsk Municipal District (Khabarovsk Territory) were included in the territories of the Free Port of Vladivostok.

Starting from October 2016, Free Port residents are entitled to tax incentives in the [Sakhalin Region](#) and [Khabarovsk Territory](#). Thus, a reduced corporate profit tax rate for the residents will amount to 0 percent for a five-year period starting from the fiscal

period in which the first operating profit is generated and recorded, and 12 percent over the next five years.

Residents are also entitled to apply a reduced corporate property tax rate of 0 percent in both regions over the first five years starting from the year of registration as residents and 0.5 percent in Khabarovsk Territory or 1.1 percent in the Sakhalin Region over the next five years.

10 October 2016

Additional corporate property tax assessment in respect of incorrect application of tax incentives

Gazprom Pererabotka LLC has applied a corporate property tax benefit envisaged by Item 11 of Article 381 of the RF Tax Code with respect to the main pipelines and their integral parts.

[The Ninth Commercial Court of Appeal](#) ruled in favour of the tax authorities having determined that, due to its nature, the object in question cannot be considered a mainline and, therefore, the tax benefit was applied incorrectly.

It should be noted that when drafting the arguments, the tax authorities examined the certificates and data sheets of the object in question, schemes and the location of the above mainline, identified the full length of the pipeline and determined its technological characteristics.

4 October 2016

Tax incentives for participants of regional investment projects and special investment contracts in Khabarovsk Territory

In [Khabarovsk Territory](#), participants of Regional Investment Projects (RIPs) and Special Investment Contracts (SPICs) are now entitled to apply a reduced corporate profit tax rate.

Thus, Special Investment Contract (SPIC) participants are entitled to apply a reduced corporate profit tax rate of 0 percent starting from the tax period in which income is recognised for the first time until the expiration of SPICs, but not later than 2025 inclusive.

Regional Investment Project (RIP) participants for which inclusion in the register of RIP entities is not required are now entitled to apply a reduced corporate profit tax rate of 0 percent over the first five year period starting from the fiscal period in which the first profit is generated and recorded, and 10 percent over the next five years.

Contacts

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