



Research & Development and Government Incentives January News

3 February 2016

Drink manufacturers may be exempt from property tax in the Nizhny Novgorod Region

Media project "Stolitsa Nizhny"

A **Law #9-3** granting a property tax exemption to companies that manufacture drinks in the Nizhny Novgorod region came into force on 3 February 2016. The exemption will be granted only to those entities that manufactured at least 25 million dL of drinks in 2015 and at least 24 million dL annually thereafter. Should the law pass, the exemption will be in effect from 1 January 2016 through 31 December 2018.

1 February 2016

Corporate property tax exemption for leasing businesses in the Voronezh region may return

Voronezh Region Duma

On 1 February 2016, a **draft law** was introduced to the Voronezh Region Duma that would reintroduce the property tax exemption in effect in 2015 for organizations leasing aviation equipment and/or aircraft without crew (for aviation equipment, including aircraft that is subject to leasing and/or has a lease recognized in accounts through 31 December 2015).

On 26 November 2015, the Voronezh Region Duma passed a **law** setting the corporate property tax rate at 1.1% in place of the tax exemption. The draft law also provides for a possible reduction of the corporate property tax rate to 0.3% for companies leasing aircraft and/or aircraft without crew (for aircraft manufactured in Russia that is subject to leasing and/or have a lease recognized in accounts on or after January 1, 2016).

The draft law may have been the result of the decision by a huge investor in the region – leasing company, which declared its intention to re-register in the Ulyanovsk Region.

29 January 2016

Draft law introducing restrictions on government support to foreign legal entities passed the third reading

Russian State Duma

A **draft law** banning conversion of subsidies received by legal entities into foreign currency (except for conversions needed to purchase (supply) high tech equipment, materials and components abroad or for other transactions associated with the purpose of the subsidies) has been adopted by the State Duma in the third reading.

The draft law also bans providing government (municipal) support in the form of subsidies and budget investment to foreign legal entities, including offshore companies, and to Russian legal entities if the interest held by offshore companies in their share capital exceeds a total of 50%.

The draft law is expected to be taken up by the Federation Council on 10 February 2016.

28 January 2016

New Territories of Advanced Social and Economic Development approved

Ministry of Economics of the Republic of Tatarstan

Official cite of the Russian Government

Official cite of the Russian Government

Russian Government Resolutions No. **43**, No. **44**, and No. **45**, which created three new Territories of Advanced Social and Economic Development (TASEGs), were signed on 28 January 2016. The new TASEGs are located in Bolshoy Kamen, Primorsky Region; in Naberezhnye Chelny, Republic of Tatarstan; and in Gukovo, Rostov Region. Provided that, the cadastral quarters hosting the Bolshoy Kamen TASEG will no longer be a part of the Free Port of Vladivostok and be eligible for the incentives provided by the Free Port.

The resolutions specify the requirements for investment projects that can be implemented by TASEG residents, including: the types of economic activity that can be conducted as a result of implementing new investment projects in TASEGs, the minimum capital investment required and the minimum number of new permanent jobs created.

Tax benefits available to TASEG residents include reduced corporate profit tax rates of not more than 5% during the first five years from the time when the resident receives its first profit and at least 12% during the next five fiscal periods.

20 January 2016

Period for implementing investment projects of special importance in the Ulyanovsk Region may be extended

Ministry of economic development of the Ulyanovsk Region

The Ministry of Economic Development of the Ulyanovsk Region has prepared a number of amendments to the regional law "On development of investment activity in the territory of the Ulyanovsk Region". The amendments extended the implementation period for investment projects of special importance in respect of which investors are granted tax incentives (from 31 December 2017 to 31 December 2020).

A project of special importance is eligible for tax benefits in the form of a corporate property tax exemption and transportation tax exemption for 10 years and a reduced property tax rate of 1.1% for five years after the end of the period of exemption from the respective tax; and also in the form of reduced profit tax rate of 13.5% for 15 years.

12 January 2016

Tax exemptions claims simplified for large investors in the Arkhangelsk region

Arkhangelsk Region Government

Resolution No. **499-nn** of the Arkhangelsk Region Government of 15 December 2015, which amended the investment project regulations in the Arkhangelsk Region, has come into effect. Prior to this, only those projects that received administrative support from the regional government or the Arkhangelsk Region Development Corporation (ARDC) could qualify for inclusion in the investment project register. Now, for a company to be included in the register of priority regional projects and claim tax benefits, it does not need to be a recipient of administrative support from the government or the ARDC.

Law of the Arkhangelsk Region No. **323-19-O3** of 28 September 2015 came into effect on January 1, 2016. The law extends the list of economic activities that qualify for an exemption from the tax on property created during investment activity, and for applying profit tax at a reduced rate from 13.5% to 16.5% depending on the aggregate increase of the carrying amount of the organization's fixed assets as a result of investment made throughout the entire investment period.

11 January 2016

Petroleum producers in the Krasnoyarsk Region may receive tax relief

[Krasnoyarsk Region official website](#)

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The Krasnoyarsk Region government has developed a draft law that would allow entities mining crude oil and gas to receive tax benefits in the form of a reduced corporate **property tax** rate of 0.2% and a reduced **profit tax** rate of 13.5%.

Entities producing petroleum products may also be granted tax relief in the form of a reduced **property tax** rate of 1.1%, as long as their annual amount of oil processing in the Krasnoyarsk Region (on the basis of federal state statistic supervision forms) is at least 6 million tons.

Tax incentives may be granted without the prior approval, on the basis of self-assessment. The beneficial tax regime for the above taxpayer categories is proposed to apply from 1 January 2016 through 31 December 2020.

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