Support for investors

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INCOME TAX EXEMPTIONS

Investors can enjoy income tax exemptions given on the basis of the Act on Supporting New Investments. Krosno and the Sub-Carpathian Region (Podkarpacie) have the highest limit of public aid available within the European Union, thanks to which investors are able to obtain much higher tax exemptions than in the central and western regions of Poland.

The amount of the aid granted to an entrepreneur is a product of maximum public aid intensity and the cost to be qualified for being comprised by the aid.

Enterprise size	**Number of employees**	**Annual turnover**	**Total annual balance sheet**	**Maximum intensity of public aid**
MICRO	<10	≤ EUR 2m	≤ EUR 2 m	70%
SMALL	<50	≤ EUR 10 m	≤ EUR 10 m	70%
MEDIUM	<250	≤ EUR 50 m	≤ EUR 43 m	60%
LARGE	≥250	> EUR 50 m	> EUR 43 m	50%

Public aid is granted on account of the following:

1. The cost of new investment – the amount of the aid provided is calculated as a product of maximum public aid intensity and the cost qualified as being eligible for the aid, which is:

- the purchase of land or the right of perpetual usufruct of land,
- the purchase or manufacture of fixes assets,
- the expansion or modernization of existing fixed assets,
- the purchase of intangible and legal assets connected with a process technology transfer,
- costs connected with rental or lease of land, buildings and structures, provided that the term of rental or lease is at a minimum of 5 years (for a large enterprise) or 3 years (SME) from a scheduled date of completion of the new investment,
- financial leasing of assets other than land, buildings and structures, subject to the obligation to purchase them upon the expiry date of a rental or lease.

2. The creation of new jobs – the amount of the public aid is calculated as a product of maximum public aid intensity and two-year costs of employment of newly hired employees.

Example:

Enterprise size: **MEDIUM**
Investment outlays (CAPEX): **PLN 20 000 000** (including

land, buildings, machinery and equipment, patents and licences)
Maxumum level (intensity) of public aid: **60%**

Real estate tax exemptions

The city offers exemptions from on Real Estate tax for investors creating new employment. The exemption covers buildings, structures or parts of them and the land connected to them.

Conditions of eligibility for tax exemption are as follows:

1) Completion of a new investment within the boundaries of Krosno are understood as:

- construction of new buildings, structures or integral parts of them,
- purchasing a real property from an official receiver or a liquidator of an enterprise as part of the liquidation of assets,
- purchasing a real estate from the State Treasury, a local self-government authority, an individual or

an organizational unit not being an entrepreneur or from an entrepreneur not connected in any way, shape or from with the buyer.

2) Undergoing business in a priority sector (including industrial manufacturing and modern services).

3) Creation of new jobs within 2 years of commencement of the operation of the new investment.

The period of exemption depends on the number of newly created jobs and the nature of the business.

Exemptions for the **AVIATION** sector:

Exemption period	**Number of newly created jobs for GRADUATES**	**Number of newly created jobs for other individuals**
1 year	1	5 (or 2 if a business employs up to 20 individuals)
2 years	5	10
3 years	10	20
4 years	20	35
5 years	30	50
6 years	50	100

Exemptions for **other key sectors** (manufacturing and modern services other than aviation):

Exemption period	**Number of newly created jobs for GRADUATES**	**Number of newly created jobs for other individuals**

1 year	1	5 (or 2 if a business employs up to 20 individuals)
2 years	7	15
3 years	12	25
4 years	25	50
5 years	50	100

The exmeption is granted as part of the ‘de minimis’ aid. The value of the ‘de minimis’ aid obtained in the period of 3 years cannot exceed Euro 200k and for companies operating in the sector of road transport of goods – Euro 100 k.

Government grants

Government grants are awarded on the basis of the “Programme of support to investments with enormous significance for the Polish economy for the years 2011 – 2023” adopted by the Council of Ministers on 5th July, 2011.

The support bears a form of subsidy, and conditions for payment are governed in detail by the agreement concluded between the Minister of Economy and an investor. Applications for a subsidy are received by Polish Agency of Investment and Trade JSC.

More information:

GOVERNMENT GRANTS

European Union funding

There are numerous ways to obtain EU funding for the development of companies. Most applications are aimed at micro, small and medium enterprises which may apply, among others, for subsidies from the European Funds for a Modern Economy, European Funds for Eastern Poland, or European Funds for the Subcarpathian Region. Other than grants, preferential loans and guarantees are also offered.

Grants are intended for use mainly for Research and Development investment and the implementation of innovation, computerisation, development of activity within foreign markets and raising of qualifications of employees.

Other forms of support for investors

1) Cooperation with the District Employment Office in Krosno, including:

- professional assistance in finding suitable

candidates for work in the recruitment process,

- increasing competences and skills of employees and candidates for employment: training courses, occupational preparation,
- apprenticeship work placements which have probationary periods for graduates,
- refund of the employment costs of employees up to the 30th year of life (maximum 12-month salary),
- a settlement voucher (aid for an unemployed individual in connection with starting employment outside their present place of residence),
- refund of the costs of equipment of a new work place for an unemployed individual,
- refund of costs of social security contribution in the event of employment of an unemployed individual,
- support for an employer on account of employing a disabled person: refund of employment costs, training, equipment and adaptation of a workplace).

2) Implementation of attractive housing programmes in the Municipality of Krosno.

3) Convenient public transport adjusted to the employees' needs.

4) Comprehensive assistance on the side of the Municipality of Krosno in effective completion of investment procedures, post-investment assistance.

last updated: 28.12.2023