

Argentina

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Tax incentives in the Province of Buenos Aires

Promotion of investments in the Province of Buenos Aires & tax amnesty

Decree No. 523/08 regulatory of Law Number 13,656 of Industrial Promotion in the Province of Buenos Aires provides tax incentives for the development of new investment projects. Moreover, it extends the concept of industry (including logistics and software) and stipulates a new dynamic system regarding new businesses.

This scheme provides tax exemptions in local taxes (stamp tax, real state tax and turnover tax), council taxes for SMEs (small and medium enterprises or “Pequeñas y Medianas Empresas”) and other benefits such as preferences in any submission of bid in response to all of the competitive tender offers in which the SMEs participates, access to financing with preferential conditions and discounts in public services, among others. Benefits range from a minimum of 3 to a maximum of 10 years, depending on the characteristics of the project (area, export market, etcetera). Once they have been submitted, the enforcement authority will evaluate the technical feasibility of projects, the economic standing of the applicant and the economic impact of the investment.

The promotion scheme created a fund in order to grant subsidies for the construction, equipment of industrial plants, credits to SMEs and employees training programs among others. In addition, the Warranty Fund of the Province of Buenos Aires (“FOGABA”) gives financing and high quality warranties to individuals and SMEs.

Finally, the Province of Buenos Aires, offers significant benefits for taxpayers with local taxes (real estate, stamp tax and turnover tax) liabilities originated before December 31st 2008. Term of acceptance of the tax amnesty regime may be made only once, till September 30st 2009. Significant tax exemptions for interests and extinction of the infringements and installment of payments plans up to 60 quotas are one of its main benefits.

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