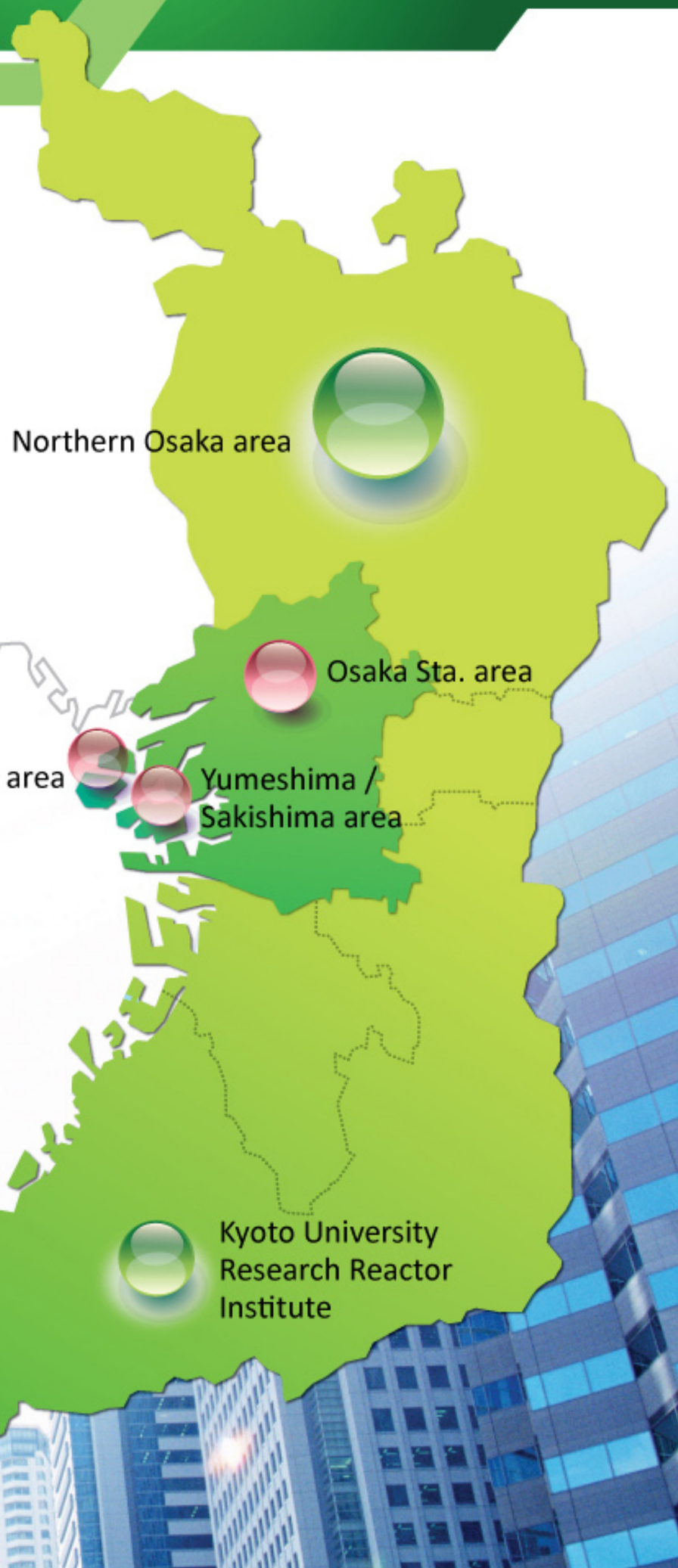
Guide to Special Measures in Comprehensive Global Strategic Special Zones

The first "ZERO Local Taxes" system in Japan

When performing projects involving new energy
or life sciences in special zones inside Osaka,
"Special Zone Taxes" apply, with Zero local taxes*!

* The reduction ratio changes depending on the designated conditions.

Areas eligible for Special Zone Taxes inside Osaka



Outlines of Special Zone Taxes

Eligible tax items

Prefectural tax

Corporate prefectural residents' tax, corporate enterprise tax, real estate acquisition tax

City tax

Corporate citizens' tax, real estate tax, office tax, city planning tax

Eligible businesses

New energy / life sciences / businesses supporting new energy and life sciences

Contents of reduction

When newly moving to the special zone: no taxes for 5 years + 1/2 taxes for 5 years

- When moving from other areas inside the prefecture (city) to the special zone, corporate prefectural residents' tax, corporate enterprise tax, corporate citizens' tax and office tax are reduced depending on the rate of increase of the employees.
- Real estate acquisition tax will be ZERO for the real estate of Special Zone that was obtained within 3 years after project plan approval.
- Real estate tax and city planning tax cuts apply to newly acquired real estate.

Method and Period of approval

Method : The governor / mayor decides after listening to the opinion of the review board regarding the project plan created by the applicant.

Period : December 1st 2012 – March 31st 2016

Project Plan Approval and Tax Reduction Measures

Project plan approval

- Companies that desire tax reduction measures have to create a project plan.
- The prefectural / municipal division will check the conformity with the approval standards in the regulations etc., and investigate the application in the review board, which is under joint management of the prefecture and the city.
- The governor / mayor decides based on the opinion of the review board.

Tax reduction measures

- Companies whose project plan has been approved have to submit a performance report every fiscal year.
- The prefectural / municipal division will check the project operation status and the fulfillment of the requirements and the governor / mayor performs the approval.

Common requirements for receiving tax reduction • All requirements must be met.

- The project must be started within 3 years after approval of the project plan.
- Companies must participate in the regional councils of the Special Zone.
- No exceptions, such as arrears in tax payment, may exist for applying companies.

※ Besides the above, there are specific conditions for each tax item. (such as increases in regular employee numbers etc.)

Eligible Project Images

New Energy

- R&D / production of electric cars
- R&D / provision of new energy such as sunlight and wind power
- Demonstration of smart communities
- R&D / production of advanced lithium ion batteries
- R&D / production of advanced energy-saving devices, etc

Life Sciences

- R&D / production of high-grade medicine / medical devices
- R&D of high-grade regenerative medicine
- R&D / production of treatment / nursing robots
- Clinical trials / clinical research
- R&D of medical information systems
- Maintenance and management of high-grade medical facilities / equipment, etc.

Businesses supporting New Energy and Life Sciences

- International freight (shipping / aviation)
- MICE (Meeting, Incentive travel, Conference, and Exhibition / Event)

Inquiries

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