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Three Years of Real Estate Tax Exemption for Industrial Facilities

On August 30th, 2022, Minister of Finance, His Excellency Mohamed Maaait issued Decree No. 61 of 2022, which stipulates that the state shall bear real estate tax due properties utilized for certain industrial activities, for a period of three years starting from the 1st of January 2022.

This list of exemptions includes 19 industrial activities, equating to a reduction of EGP 3.3 billion EGP. These categories included textiles, engineering, mining, metal industries, leather I, wood and furniture, automobile, paper products, printing and publishing, building materials, porcelain, china fine sets and ceramics, refractories, electronic and electrical industries, manufacturing, iron, pharmaceutical, medical, chemical industry, food, plant, and animal production.

The decision has provided two conditions for the state to bear the real estate tax on the above-named sectors, namely, (I) each of the aforementioned activities must be correctly registered within the relevant authorities of the state, and (II) the exempt established properties are truly used to exercise the exempt activities.

The above decision does not prejudice the right of the Real Estate Tax Authority to collect tax arrears due for the aforementioned activities, until December 31st, 2021.

To conclude, This article aims to highlight the state's effort to continue approving new financial and tax incentives to offset the global economic crises that have impacted economic activity negatively in recent years, mainly as a result of the Coronavirus pandemic and the subsequent challenges of the Russian-Ukrainian crisis. The overall goal of the state is to maximize its production capabilities, enhance the competitiveness of Egyptian exports, and support the industrial sector, which enhances economic activity and achieves sustainable development.