

APPROVED
Utena District Municipal
Council 30 November , 2017 by
Decision No. TS-281

DESCRIPTION OF THE PROCEDURE FOR PROVIDING REAL ESTATE AND LAND (LAND LEASE) TAX BENEFITS TO LEGAL ENTITIES IN UTENA DISTRICT

CHAPTER I GENERAL PROVISIONS

1. The Description of the Procedure for Providing Real Estate and Land (Land Lease) Tax Benefit to Legal Entities in Utena District (hereinafter - the Description) regulates the taxation of real estate and (or) land (land lease) located in the territory of Utena District Municipality (hereinafter - Municipality), the conditions for granting benefits to legal persons and the procedures for submitting, examining and considering applications.

2. Real estate and land (land lease) tax benefits (hereinafter - Tax benefits) are provided for the support provided by legal entities in the previous or current year, aimed at activating the economic development of Utena city or district, promoting and developing sports and cultural activities, improving Utena city or the public infrastructure of the district.

3. The terms used in the description correspond to the terms used in the Law on Real Estate Tax of the Republic of Lithuania, the Law on Land Tax of the Republic of Lithuania and other legal acts.

CHAPTER II CONDITIONS FOR GRANTING TAX BENEFITS

4. Tax Benefits shall be provided:

4.1. legal entities that have invested at least 6000.00 Eur in the infrastructure of Utena city (district) belonging to public economic entities (state, municipality), as well as garage and garden associations, which have invested at least 6000.00 Eur in public land plots, uses us for roads (streets) ;

4.2. legal entities providing support of at least 1000.00 Eur (in monetary form, property, services) to cultural, sports events and celebrations in Utena organized by municipal budget, public institutions or other entities (sports clubs, art collectives, non-governmental organizations, associations) and in an area, when the following are present:

Sub-entry changes:

No. [TS-7](#), 2019-01-31, published in TAR on 2019-02-05, code 2019-01780

4.2.1. culture promotion - the dissemination of professional art, international cultural exchanges, ethnic culture and local traditions are encouraged;

4.2.2. support for the participation of artists and art groups, athletes in republican and international competitions, festivals, exhibitions, competitions;

4.2.3. supporting the activities of communities and non-governmental organizations;

4.2.4. support for young talent;

4.2¹. legal entities for real estate and/or land plot owned by Utena District Municipality and leased to other persons, where cultural, leisure, entertainment, sports, health service centers, sanatoriums, recreation centers, hotels, public catering establishments are operated, restaurants, cafes, bars, nightclubs and other places of entertainment, beauty services, casinos and slot machine salons, shops, shopping and/or entertainment centers, other than those principally engaged in food, veterinary medicine, pharmacy, optical and orthopedic products, sales activities, as well as markets with the exception of the food;

Added Sub-entry:

No. [TS-100](#), 2020-04-30, published in TAR on 2020-05-04, code 2020-09354

4.3. Newly established small and medium-sized enterprises operating in the city or district of Utena, operating in the first and second years of operation.

5. Amount of Tax Benefit:

5.1. up to 25 percent from the amount of infrastructure investments to the legal entities referred to in Sub-paragraph 4.1;

5.2. up to 50 percent the amount of support provided to the legal entities specified in Sub-paragraph 4.2 of the Fees payable to the Municipal budget;

5.3. up to 100 percent. Amounts of fees paid to the Municipal budget to the legal entities specified in Sub-paragraph 4.3 operating in the first year of operation;

5.4. up to 50 percent Amounts of fees paid to the Municipal budget for the legal entities specified in Sub-paragraph 4.3 operating in the second year of operation.

5¹ Amount of Tax Benefit for legal entities referred to in Sub-paragraph 4.2¹.

5.1¹ up to 100 percent. Tax Benefits for the period from 2020 March 16 until the end of quarantine in the Republic of Lithuania, including the month of expiry of quarantine, if during that period up to 100%. reduced rent for premises and/or land for tenants. The specific amount of the applicable Tax Benefit (percent) is equal to the amount of the reduced tax for the tenant (percent).

5.2¹. 100 percent. Tax Benefits for the period from 2020 March 16 until the end of the quarantine in the Republic of Lithuania, including the month of the expiry of the quarantine , if during that period the rent of premises and/or land is not applied to the tenants.

Added point:

No. [TS-100](#), 2020-04-30, published in TAR on 2020-05-04, code 2020-09354

6. The total amount of benefits provided for in Sub-paragraphs 5.1, 5.2, 5.3 and 5.4 may not exceed the amount specified in the real estate tax and land (land lease) tax returns declaration.

CHAPTER III PROCEDURE FOR APPLYING FOR TAX BENEFITS

7. Applications and additional documents regarding the provision of tax benefits shall be submitted (until the deadline for payment of the tax established by legal acts) and registered at the Utena District Municipality Administration (hereinafter - the Administration) or sent by e-mail info@utena.lt.

7¹. Applications and additional documentation for Tax Benefit in the Description 4.2¹ Sub-paragraph referred to legal persons shall be made within three months after the quarantine on Covides-19 (coronavirus infection) end.

Added point:

No. [TS-100](#), 2020-04-30, published in TAR on 2020-05-04, until 2020-09354

8. Donors wishing to receive the Tax Benefit shall submit:

8.1. a motivated request stating the company's details, contact details of managers (heads of administration), type of commercial economic activity, amount of requested Tax Benefit, descriptions of supported events/activities or justification of investments in Utena city or district infrastructure, etc.;

8.1¹. a reasoned request stating the details of the legal entity, the contact details of the manager, the amount of the requested tax benefit, and other relevant information justifying the granting of the tax benefit, accompanied by evidence (written agreements with tenants on rent reduction, etc.). The requirement of this Sub-paragraph applies only to the legal entities specified in Sub- paragraph Description 4.2¹;

Added Sub-paragraph:

No. [TS-100](#), 2020-04-30, published in TAR on 2020-05-04, until 2020-09354

8.2. a copy of the real estate tax return for the relevant tax period, certified by the signature and stamp of the head of the company (if the stamp is required), when applying for real estate Tax Benefit;

Sub-entry changes:

No. [TS-7](#), 2019-01-31, published in TAR on 2019-02-05, until 2019-01780

8.3. a copy of the land (land lease) declaration for the current year, certified by the signature and stamp of the head of the enterprise (if the stamp is mandatory), when the land (land lease) Tax Benefit is applied for;

8.4. confirmation from the relevant eldership on investments in the improvement of the infrastructure of Utena city or district and copies of documents confirming the invested amount; an estimate of investments in the infrastructure of Utena city or district, if the investments are not made with monetary funds, but are implemented through works (only for the legal entities specified in Sub-paragraph 4.1);

8.5. copies of grant agreements, invoices, orders, acts and other documents confirming the support provided (only for legal entities specified in Sub- paragraph 4.2);

9. Adjustment of registered applications, completion or submission of additional documents at the initiative of donors is possible until the 5th day of the current month.

CHAPTER IV EXAMINATION AND CONSIDERATION OF APPLICATIONS

10. The responsible employees of the Administration, after checking the information whether the donors do not have tax arrears to the state budget of the Republic of Lithuania or municipal budgets and funds to which taxes are administered by the State Tax Inspectorate under the Ministry of Finance of the Republic of Lithuania (hereinafter - the State Tax Inspectorate), are not indebted to the budget of the State Social Insurance Fund and, after evaluating the received applications for the provision of the Tax Benefit, prepare draft resolutions for the Utena District Municipal Council (hereinafter - the Council) on the granting of the Tax Benefit to specific donors.

11. The Council shall take a decision regarding the granting (non-granting) or revocation of the Tax Benefit.

12. Upon the decision of the Council on granting (not granting) or revoking the Tax Benefit, the responsible employees of the Administration shall inform the donor and the State Tax Inspectorate in writing about the decisions taken by the Council.

CHAPTER V FINAL PROVISIONS

13. After the Council has made a decision on granting the Tax Benefit, information on the decisions made by the Council on granting the Tax Benefit is published on the website of Utena District Municipality www.utena.lt in the "Tax Benefits" section of the "Business" section.

14. The Tax Benefit may be revoked or reduced by an appropriate decision of the Council if it is established that the donor has provided incorrect data which led to an unreasonable decision to grant the Tax Benefit.

15. Financial and operational control of Utena district municipality budget funds shall be performed in accordance with the procedure established by laws and other legal acts of the Republic of Lithuania.

16. The description shall be amended or repealed by the Council.