

Facilities and Incentives

The incentives and facilities offered to the units in SEZs for attracting investments into the SEZs, including foreign investment include:-

- Duty free import/domestic procurement of goods for development, operation and maintenance of SEZ units
- 100% Income Tax exemption on export income for SEZ units under Section 10AA of the Income Tax Act for first 5 years, 50% for next 5 years thereafter and 50% of the ploughed back export profit for next 5 years. **(Sunset Clause for Units will become effective from 01.04.2020)**
- Exemption from Minimum Alternate Tax (MAT) under section 115JB of the Income Tax Act. **(withdrawn w.e.f. 1.4.2012)**
- Exemption from Central Sales Tax, Exemption from Service Tax and Exemption from State sales tax. These have now subsumed into GST and supplies to SEZs are zero rated under IGST Act, 2017.
- Other levies as imposed by the respective State Governments.
- Single window clearance for Central and State level approvals.

The major incentives and facilities available to SEZ developers include:-

- Exemption from customs/excise duties for development of SEZs for authorized operations approved by the BOA.
- Income Tax exemption on income derived from the business of development of the SEZ in a block of 10 years in 15 years under Section 80-IAB of the Income Tax Act. **(Sunset Clause for Developers has become effective from 01.04.2017)**
- Exemption from Minimum Alternate Tax (MAT) under Section 115 JB of the Income Tax Act. **(withdrawn w.e.f. 1.4.2012)**
- Exemption from Dividend Distribution Tax (DDT) under Section 115O of the Income Tax Act. **(withdrawn w.e.f. 1.6.2011)**
- Exemption from Central Sales Tax (CST).
- Exemption from Service Tax (Section 7, 26 and Second Schedule of the SEZ Act).