

BUSINESS INCENTIVES AND RELIEFS FOR INVESTORS IN THE VARAŽDIN COUNTY

Prepared by:

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VARAŽDIN COUNTY



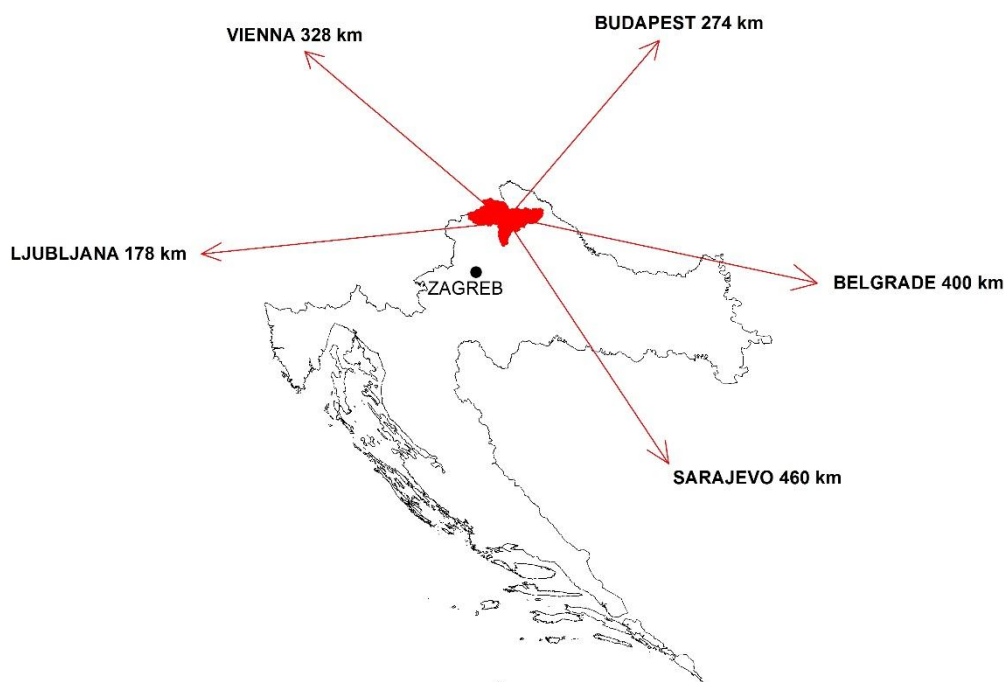
2016

Introduction

Being the county with the highest business transparency and most favourable business climate in Croatia Varaždin County is continuously working on the development of its economy. This is particularly carried out through investments into the development of economic zones, use of EU funds, improvement of the labour-intensive industry, increase of the education level of its population and, above all else, by attracting quality domestic and foreign investments that preserve existing job positions and create new job positions.

General Information

- **Position:** north-western Croatia
- **Area:** 1,262 m² (2.23 % of the total area of the Republic of Croatia)
- **Size:** the 3rd smallest Croatian county by area
- **Population:** 175,951 (4.11% of the total population of the Republic of Croatia)
- **Population density:** 139.42 persons/km²
- **Settlements:** 302
- **Cities:** 6
- **Municipalities:** 22



Attracting Investments

Varaždin County offers investors numerous competitive advantages: resolved legal property issues, spatial plans prepared beforehand, building permits issued within the shortest time span possible and construction sites with complete public utilities ready for the building of an entrepreneurial object as quickly as possible.

Investors investing into Varaždin County will have at their disposal:

STATE INCENTIVE MEASURES

*(in accordance with the Act on
Investment Promotion)*

BUSINESS RELIEFS FOR PUBLIC UTILITY LEVIES AND FEES

ENTREPRENEURIAL ZONES

POSSIBILITY TO CONDUCT BUSINESS ACTIVITY IN STATE- SUPPORTED AREAS

STATE BUSINESS INCENTIVE MEASURES

In accordance with the provisions of the Act on Investments Promotion¹ investors investing within Varaždin County have the right to numerous incentives.

Incentives are approved for the following activities:

Development and innovative activities	Business support activities	Activities related to services with high added value
Improvement and modernization of: <ul style="list-style-type: none">▪ products▪ product series▪ production processes▪ production technology	<ul style="list-style-type: none">▪ Customer/User support centres▪ Centres for separate business activities▪ Logistic and distribution centres▪ Centres for development of IT systems and software	<ul style="list-style-type: none">▪ Activities related to creative services▪ Activities related to tourism services▪ Activities related to management, consultation and educational services▪ Activities related to industrial engineering services

In order to qualify for incentive measures for investments investors need to invest the following minimum amount:

MINIMUM INVESTMENT AMOUNT REQUIRED FOR GRANTING INCENTIVES

- EUR 50,000 and 3 new job positions for micro-entrepreneurs
- EUR 150,000 and 5 new job positions for small, medium and large entrepreneurs

Application for approval of incentive measures is submitted before the beginning of the investment project:

For micro, small and medium entrepreneurs:

At the Directorate for International Cooperation, Investment and Development of the Ministry of Entrepreneurship and Crafts

For large entrepreneurs:

At the Directorate for Economic Diplomacy, Export and Investments of the Ministry of Economy

¹ Data taken from www.hamagbicro.hr/investments

In accordance with the Act on Inciting Development of Small-Scale Economy entrepreneurs are assigned to the following categories:

Type of entrepreneur	Number of employees	and	Revenue	or	Total assets
Medium	≤ 249		≤ € 10 mil.		≤ EUR 43 million
Small	≤ 49		≤ € 10 mil.		≤ EUR 10 million
Micro	≤ 9		≤ € 2 mil.		≤ EUR 2 million.

The Act on investment Promotion defines the following incentive measures:

A. tax incentives

- decrease of the corporate tax rate, depending on the amount of investment and number of opened job positions

Amount of investment	Required number of opened job positions	Corporate tax rate**	Maximum period of incentive use	Minimum period for maintaining investment and job positions ***
≥ EUR 50,000* €	≥ 3	10 %	5 years	3 years
EUR 0.15-1 million	≥ 5	10 %	10 years	5 years for big business entities
				3 years for small and medium business entities
EUR 1 - 3 million	≥ 10	5 %	10 years	5 years for big business entities
				3 years for small and medium business entities
over EUR 3 million	≥ 15	0 %	10 years	5 years for big business entities
				3 years for small and medium business entities

* Only micro-entrepreneurs have the possibility to use incentive measure for investments of only EUR 50,000.

** The corporate tax rate of 20 % is decreased by 50 %, 75 % or 100 %, depending on the amount of investment.

*** The period during which the investment and job positions have to be preserved may not be shorter than the period of use of incentive measures.

B. non-returnable financial support for creating new job positions

- depends on the unemployment rate of the county in which the project is being realized

County unemployment rate	Amount of financial support (as percentage of a gross salary II for a two-year period)
10-20% (15,8 % in Varaždin County) ²	20 %, that is, a maximum amount of 6,000 € per created job position

The business entity that is granted the incentive will receive 100 % of the amount of the financial support if it hires:

- an unemployed person who has been registered as unemployed by the Croatian Employment Service for at least three months, or
- a person of up to 25 years of age, without vocation, additional vocation or professional vocation, who is being employed for the first time and is not registered as unemployed by the Croatian Employment Service, or
- a person of up to 29 years of age with a high school or university diploma who is being employed for the first time and is not registered with the Croatian Employment Service, or
- a person of up to 29 years of age who has been registered as unemployed by the Croatian Employment Service within 90 days from the day of their graduation, acquiring of trade/vocation upon high-school graduation or a person without vocation who has completed their elementary school education, or
- a person whose employment contract has been terminated because of a bankruptcy procedure initiated at their company.

If the employment does not meet the above mentioned requirements, 40 % of the amount of financial support will be approved.

C. non-returnable financial support for professional training

- depends on the size of the entrepreneur and type of professional training

Size of entrepreneur	Amount of incentive (as percentage of justifiable costs of professional training)	
	Specific professional training	General-purpose professional training
Big	25 %	60 %
Medium	35 %	70 %
Micro and small	45 %	80 %

Specific professional training is used for acquiring theoretical and practical knowledge and cannot be applied or can be applied with limitations at other entrepreneurs or in other fields of activities.

General-purpose professional training is used for acquiring general knowledge and can be applied at other entrepreneurs or in other fields of activities. It significantly improves one's chances for employment.

Justifiable costs of professional training encompass:

- a. costs of instructors' salary
- b. travelling costs of instructors and persons undergoing professional training

² Annual median value in 2014 according to the data of the Croatian Employment Service.

- c. costs of write-off of costs of devices and equipment according to the scope of their use during professional training
- d. costs of professional training of employees up to the amount of all justified costs from items a. to c.

The amount of financial support for professional training may be up to 50 % of the amount of non-returnable financial support for creating new job positions.

D. Additional Financial Support for Creating New Job Positions

- for specific business activities financial support for costs of new job positions is increased according to the table below:

Type of investment project	DEVELOPMENT AND INNOVATIONAL ACTIVITIES	BUSINESS SUPPORT ACTIVITIES	ACTIVITIES RELATED TO SERVICES WITH HIGH ADDED VALUE
Increase of financial support for costs of new job positions	+ 50 %	+ 25 %	+ 25 %

E. Non-Returnable Financial Support for Purchase of Equipment/Machinery

Type of Investment Project	DEVELOPMENT AND INNOVATIONAL ACTIVITIES
Non-returnable financial support	up to 20 % for purchase of equipment/machinery <i>(a maximum EUR 0.5 million)</i>

F. Non-Returnable Financial Support for Capital Costs of Projects

Amount of investment	New job positions	County unemployment rate	Amount of financial support <i>(as percentage of capital costs)</i>
≥ EUR 5 million	≥ 50	10 - 20 %	10 %, that is, a maximum of EUR 0.5 million

Capital costs for which non-returnable financial support is approved encompass:

- costs of constructing of a new factory, industrial facility or hospitality or tourism facility
- costs of buying new machinery or production equipment.

The share of investment into machinery or production equipment shall be at least 40 % of the total value of the investment, while at least 50 % of the purchased machinery or production equipment shall be equipment of advanced technology.

G. Non-Returnable Financial Support for Opening New Job Positions

- for labour-intensive projects – depending on the number of created job positions

Number of created job positions		
≥ 100	≥ 300	≥ 500
Increase of financial support for creating new job positions		
+ 25%	+ 50%	+ 100%

Mode of calculation of financial support and maximum amounts are defined in the table below:

Basis for calculation of amount of financial support			
Tangible assets (<i>value of real property/buildings and equipment/machinery</i>) +	OR	Costs of salaries for the created job positions <i>(gross salary II over a two-year period)</i>	
Intangible assets (<i>patents, licenses, know-how – up to 50 % of the tangible assets at the most</i>)			
Amount of financial support = basis for calculation of financial support x maximum intensity			
	BIG COMPANIES	SMALL COMPANIES	MICRO AND SMALL COMPANIES
MAXIMUM INTENSITY	40%	50%	60%

NOTE:

The amount of incentive is calculated by taking into account the tangible and intangible assets or the costs of salaries of created job positions, **with the relevant amount being that which is higher.**

BUSINESS RELIEFS FOR PUBLIC UTILITY LEVIES AND FEES

In accordance with the decision of separate local self-government units investors may be approved business reliefs during investment and/or business activity within the territory of the units. The type and amount of relief differs and is primarily related to:

- business reliefs in the form of partial or complete exemption from payment of
 - o public utility levies
 - o public utility fees.

Some of the other types of relief are:

- exemption from payment of company name tax
- discount on cost of connection to the low-voltage power grid
- subsidizing of interest rate for entrepreneurial loans used for investments
- possibility of payment in instalments

In the following text we provide you with an overview of the local self-government units who have reached the above mentioned decision:

VARAŽDIN

- Possibility of full or partial exemption from payment of public utility levies when constructing objects of public interest.
- Possibility of partial exemption from payment of public utility levies up to 30% and public utility fees up to 50% for period from 1 to 3 years, depending on investment value and number of new employed workers, both relating to greenfield or brownfield investments, also depending on type of activities
- Purchasing the land in zone Brezje at a privileged price – purchasing price could be deducted by 30 %, 60% or 80%
- Co-financing or financing the cost of land conversion by the City of Varaždin
- Public utility levies for production and commercial workspaces and warehouses are calculated by taking into account the inner height of a building up to 4 m, regardless of the construction zone (for buildings public utility levies are calculated by using a volume defined in m³).

LUDBREG

- Investors who have up to 50 employees at the moment of the submitting of the request are exempt from paying the public utility fee.
 - 50 % exemption for investors who hire 1- 5 employees within one year
 - 50 % exemption for investors who hire 6-10 employees within two years
 - 50 % exemption for investors who hire more than 10 employees within three years
- Investors who have more than 50 employees at the moment of submitting their request are exempt from paying the public utility fee.
 - 50 % exemption for investors who hire 5-10 workers within one year
 - 50 % exemption for investors who hire 11-20 employees within two year
 - 50 % exemption for investors who hire more than 20 employees within three years
- Full exemption from payment of company name tax for investors who:
 - hire 1-5 employees within one year
 - hire 6-10 employees within two years
 - hire more than 10 employees within three years
- Investors engaged in production activities are exempt from paying public utility levies.
 - 25 % exemption for investors who hire 1- 5 employees
 - 50 % exemption for investors who hire 6-10 employees
 - 75 % exemption for investors who hire 11- 20 employees
 - 100 % exemption for investors who hire more than 20 employees
 - land plot sale with deferred payment or loan
 - subsidizing of 1-2% of the interest rate on entrepreneur loans

NOVI MAROF

- Investors investing into construction of business spaces for production activities are exempt from paying public utility levies in the amount of 50 % of the established public utility levies. If they make the payment in a single instalment, they have a right to a discount in the amount of 10 % of the established public utility levies.
- Investors investing into the construction of business spaces for production activities who hire at least 5 employees and maintain the total number of employees within a period of three years of at least three years from the start of production within the business space will be refunded 100 % of the amount of the public utility levies for the business space by the City of Novi Marof.

- Investors investing into the construction of business space used in production activities may be partially or temporarily exempt from paying the public utility fee during the first three years from the start of production
- Entrepreneurs engaged in production and other economic activities can be granted a discount of up to 100 % when connecting to the low-voltage power grid, depending on the number of new employees they hire and their activities.
- The City of Novi Marof subsidizes interest rates on investment entrepreneur loans.

IVANEC

- **Business Zone East Ivanec** – Investors are exempt from:
 - payment of public utility levies for production plants
 - payment of fees for connection to the public utility gas supply system
 - payment of public utility fees for 5 years from the activation of the Small-Scale Entrepreneurship Zone
 - payment of company name tax, fee for use of public areas and excise tax for 5 years from the activation of the Small-Scale Entrepreneurship Zone
 - payment of fees related to the repurposing of a land plot when obtaining a building permit
 - contracted payment in instalments of costs related to public utility equipping of the land plot with possibility of co-financing by the The City of Ivanec up to 50% cost of investment into utility infrastructure
 - a 2-3 % subsidy of the interest rate on entrepreneur loans
 - expert assistance and cooperation in the development and realization of the investment
 - organized education of entrepreneurs through specialist seminars
 - the price of EUR 10/m² (land plots + public utility equipping) will be decreased for an additional 10 % for 5 newly-hired employees - to EUR 7/m² of the total price at the lowest
 - **Industrial Zone Ivanec** – Investor advantages
 - 100 % exemption from payment of public utility levies
 - 100 % exemption from payment of land plot re-purposing costs
 - 100 % exemption from payment of company name tax during the first year of business activities
 - 100% exemption from payment of company name tax for first 5 year of business activities, with 2 years grace period
 - a land plot completely equipped with public utilities
 - possibility of adjusting the size of the land plot to meet investor needs
 - payment in instalments
 - buying out of land plots and resolution of legal property issues for investors with well-known brand names
 - a 2-3 % subsidy of the interest rate on entrepreneur loans
 - expert assistance and cooperation in the development and realization of the investment
 - organized education of entrepreneurs through specialist seminars
 - membership in Business club Ivanec
 - **Incentives for brownfield investments** – for re-purposing or reviving of old and abandoned production halls, exclusively for Manufactory
 - 100 % exemption from payment of public utility fees for 5-year period
 - 15% exemption from payment of public utility levies
 - Contracted payment in instalment of utility levies – 50% in period of 2 years, 50% in period of 3 years after getting a valid building permit
 - A total price of 17 EUR/m² – possibility of EUR 2 reduction if new employees are hired
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VARAŽDINSKE TOPLICE	<ul style="list-style-type: none"> • Possibility of partial or full exemption of payment of public utility levies for investors investing into construction of: <ul style="list-style-type: none"> ○ business spaces for production activities, livestock and poultry farms and farms for intensive agricultural production ○ farm buildings designed for keeping livestock with an area of up to 50 m² ○ objects and equipment related to the traffic, public utility, energy and telecommunications infrastructure ○ farm facilities whose construction is in the economic interest of the City
LEPOGLAVA	<ul style="list-style-type: none"> • possibility of delay or exemption from payment of public utility levies • possibility of exemption from payment of public utility fees • exemption from payment of company or company name tax • subsidy of the interest rate on entrepreneur loans
MARUŠEVEC	<ul style="list-style-type: none"> • Investors investing into the construction of business spaces used for production activities can be exempt from payment of 50 % of the established amount of the public utility fee during the first three years from starting business. • Public utility levies can be paid in instalments – if the amount is paid in one instalment, there is a 5 % discount. • Investors into the construction of business spaces in the public interest of the Municipality of Maruševac can be partially exempt from paying public utility levies.
SVETI ILIJA	<ul style="list-style-type: none"> • Investors investing into the construction of farm building used for keeping livestock with an area of up to 50 m² and objects and devices related to the traffic, public utility, energy and telecommunications infrastructure are fully exempt from paying public utility levies. • Investors investing into the construction of business spaces used for production activities are partially exempt from payment of public utility levies – in the amount of up to 25 % of the established public utility levies. • For business spaces and building plots used for conducting production activities which are conducted up to 6 months within the calendar year the land-purpose coefficient is reduced by 50 % for the period of non-use, but cannot be lower than 1.00. • Investors investing into the construction of business spaces used for production activities may be partially or temporarily exempt from payment of public utility fees for the first three (3) years from the start of production.
BERETINEC	<ul style="list-style-type: none"> • Investors investing into the construction of farm buildings used for keeping livestock and with an area of up to 50 m², as well as objects and equipment related to traffic, public utility and energy infrastructure are exempt in full from payment of public utility levies. • Investors investing into the construction of buildings used for religious purposes, social-care purposes, cultural, sports and recreational purposes and those used for school and preschool education can be fully exempt from payment of public utility levies. • Benefits for investors: <ul style="list-style-type: none"> ○ Possible payment of utility levies in max 6 instalments ○ Possibility of partial exemption of utility fees (100% in first year, 75% in second and 50% in third year of business activities) ○ Possibility of interest-free return of paid part of purchasing price of real-estate, depending on number of new employed workers on permanent basis (from Croatian unemployment register) – recognition of land price depending of number of employees: a) 50,00kn/m² for 10 new employees, b) 45,00kn/m² for 11-20 new employees, c) 40,00kn/m² for 21-30 new employees, d) 35,00kn/m² for 31-40 new employees, e) 30,00kn/m² for more than 41 new workers ○ For realization of rights for above named incentives investor is obliged to provide evidence for the number of new employees in period of 4 years from conclusion of contract for realization of land purchase in the Zone

GORNJI KNEGINEC	<ul style="list-style-type: none"> • Benefits for investors: <ul style="list-style-type: none"> ○ Possibility of partial exemption from payment of public utility levies and public utility fees (for investments into production activities) ○ Possibility of full exemption for building the production objects surfacing over 1.000m² in the Zone, or even a smaller surface but according to special Municipality council decision ○ Payment in instalments of the agreed amount for the land plot and public utility levies ○ Subsidizing of 1 % of the interest rate on entrepreneur loans for natural and legal persons registered within the area of the municipality of Gornji Knežinec
JALŽABET	<ul style="list-style-type: none"> • Benefits for investors: <ul style="list-style-type: none"> - Possibility of partial exemption from payment of public utility levies and fees
SRAČINEC	<ul style="list-style-type: none"> • Possibility of partial exemption of payment of public utility levies and fees (for investments into production activities) • In case of payment in a single instalment, the investor has a right to a discount in the amount of up to 20 % of the established public utility levies • Possibility of reduction of land plot prices if the investor hires employees resident within the Municipality of Sračinec • Investors buying land plots in the Business Zone and starting their activities within the deadline stipulated by the sales-and-purchase agreement are exempt from: <ul style="list-style-type: none"> • payment of 50% of the established amount of public utility levies • payment of fees for connection to the public utility system for water supply and waste water drainage • payment of a part of the public utility fee for production activities, more specifically: <ul style="list-style-type: none"> a) of 50% of the established amount of public utility fee during the first year b) of 25 % of the established amount of public utility fee during the second year • Exemption from payment of company name tax during the first year of business activities within the Entrepreneurial Zone • The Municipality of Ljubeščica subsidizes the connection to the power system in the amount of up to 20 kW • Subsidizing of 2% of the interest rate on entrepreneur loans • Possibility of a discount in the amount of up to 10 % of the established amount for public utility fees if the land plot is paid for in a single instalment
LJUBEŠČICA	
VIDOVEC	<ul style="list-style-type: none"> • The mayor of the municipality can grant an exemption from payment of the public utility levies on the basis of a written request submitted by: <ul style="list-style-type: none"> • Investors investing into the construction of business facilities and spaces – with the aim of motivating entrepreneurship and development of economy within the Municipality of Vidovec and provided that the investors is registered to perform the business activities • Newly-formed companies or separate business unit can get exemption on company or company name tax (1st year -100 % exemption, 2nd year -50 % exemption, 3rd year - 25 % exemption)
BEDNJA	<ul style="list-style-type: none"> • Possibility of full exemption from payment of public utility levies for investors who: <ul style="list-style-type: none"> ○ are investing in the construction of buildings for health care, social care, cultural, technical-cultural, sports, preschool, elementary-school or high-school purposes ○ are investing into construction for the purposes of public institutions and companies in the ownership of the Municipality of Bednja and Varaždin County

	<ul style="list-style-type: none"> • Possibility of exemption from payment of public utility levies for up to 50 % of the amount for investors who: <ul style="list-style-type: none"> ○ are investing in construction for the purposes of public institutions and companies in the co-ownership of the Municipality of Bednja and Varaždin County and investors who are investing in the construction of objects and manufacturing of equipment for the public utility system.
MALI BUKOVEC	<ul style="list-style-type: none"> • Possibility of partial or full exemption from payment of public utility levies for legal and natural persons if at least 5 new employees from the Municipality of Mali Bukovec will be hired in the newly-construction facilities • Municipal Council can provide investors or founders of a new company or its separate drive at his request exemption of paying taxes on trade name - for the first year 100% exemption, for the second year 50% and for the third year 30% exemption.
VISOKO	<ul style="list-style-type: none"> • Possibility of partial or temporary exemption from payment of public utility levies for investors investing into the construction of business spaces used for production activities – for the first three years from the beginning of production. • The following investors are fully exempt from payment of public utility levies: <ul style="list-style-type: none"> ○ Investors investing into the construction of buildings used for religious purposes, residential buildings as part of social care programs and other buildings of public and economic interest ○ Investors investing into the construction of objects and equipment related to traffic, energy and telecommunications infrastructure • The following investors are partially exempt from payment of public utility levies within the Municipality of Visoko: <ul style="list-style-type: none"> ○ Investors with obligation of public utility levies' payment who have participated in the financing of existing objects and equipment for the public utility system on the basis of a co-financing agreement concluded with the contractor the Municipality of Visoko – for up to 50 % of the established public utility levies. ○ Investors investing into the construction of production spaces are exempt from payment in the amount of up to 25 % of the established public utility levies. ○ Investors investing into the construction of farms for raising livestock and poultry and farms for intensive agricultural production are exempt from payment in the amount of up to 50 % of the established public utility levies. ○ Investors investing into the construction of objects for production, craftsperson or service activities are exempt from payment if the company performing the business activity is located within the Municipality of Visoko and is hiring employees with permanent residence within the Municipality of Visoko
PETRIJANEC	<ul style="list-style-type: none"> • Benefits for investors: <ul style="list-style-type: none"> ○ Possibility of exemption from payment of public utility levies for up to 50 % of the amount – for investors investing into the construction of an object for production, craftsperson or service activities or if the registered seat of their company is within the Municipality. ○ Possibility of exemption from payment of public utility levies within a two to three year period after the investment ○ Possibility of payment in instalment for land plots if the investor is buying the land plot from the Municipality
CESTICA	<ul style="list-style-type: none"> • Benefits for investors: <ul style="list-style-type: none"> ○ Exemption from payment of public utility levies in the amount of up to 50 % if the construction is complete within two years from the signing of the sales agreement for the land plot (amount of HRK 10.00 /m³), ○ Exemption from payment of the public utility fee for three years from the commencement of business activities (amount of HRK 0.15/m²), ○ Exemption from payment of company name tax for three years from the commencement of business activities (amount of HRK 400.00/year),

	<ul style="list-style-type: none"> ○ Additional discount for land plot price when there is the possibility that companies from the Municipality of Cestica carry out the construction works
VELIKI BUKOVEC	<ul style="list-style-type: none"> ● Benefits for investors: <ul style="list-style-type: none"> ○ Possibility of exemption of payment of the public utility levies for up to 50 % of the amount for investors investing into the construction of business facilities for any purpose, and in case of investing into business facilities for production purposes exemption is possible up to 80% ○ According to special acts from Municipality council, there is possibility to set additional incentives or terms of payments for utility levies for specific zones or individual investors if it can be seen out of special interest for Municipality development
SVETI ĐURĐ	<ul style="list-style-type: none"> ● Possibility of exemption from payment of public utility levies for up to 50 % of the amount for investors investing into the construction of business facilities for raising livestock and poultry and farms for intensive agricultural production ● Possibility of partial or full exemption from payment of public utility levies with the aim of creating new job positions ● Possibility of approving the calculation basis for public utility fees for construction of a business space within the economic zone ● Lower public utility fees are approved with the aim of relocating entrepreneurs from residential zones to reserved economic zones.
TRNOVEC BARTOLOVEČKI	<ul style="list-style-type: none"> ● Possibility of approval of lower basis for the calculation of the public utility levies for construction of business space (in such a way that the volume is calculated on the ground plan area of the building by applying the height of the building of up to 4 m) ● Lower public utility fees are approved with the aim of relocating entrepreneurs from residential zones to reserved economic zones ● Possibility of exemption from payment of public utility levies for up to max 100 % of the amount for investors investing into the construction of buildings for religious and health care purposes, residential buildings as part of a social-care program, buildings related to the defence and internal affairs sector and other buildings of special economic interest for the Municipality ● Possibility of exemption from payment of public utility levies by 25% in case of one-time payment ● Possibility of exemption from payment of public utility fees by 50% for activities characterized as deficient
DONJA VOĆA	<ul style="list-style-type: none"> ● Possibility of exemption from payment of public utility levies for up to 50 % of the amount for investors investing into the construction of buildings for religious and health care purposes, residential buildings as part of a social-care program, buildings related to the defence and internal affairs sector and other buildings of special economic interest for the Municipality.
MARTIJANEC	<ul style="list-style-type: none"> ● Exemption from payment of public utility fees: <ul style="list-style-type: none"> ○ 100 % exemption during the first year of business activities ○ 50 % exemption during the second year of business activities ○ 25 % exemption during the third year of business activities ● Exemption from payment of public utility fee for investors who are beginning their business activities for the first time <ul style="list-style-type: none"> ○ 6 years for entrepreneurs with a registered seat within the Municipality of Martijanec ○ 3 years for other entrepreneurs starting with their business activities
VINICA	<ul style="list-style-type: none"> ● Possibility of exemption from payment of public utility fee for the first two year of business activities in the amount of up to 50 % - for investors investing in production business spaces ● Business production space exempt from payment of public utility levies

ENTREPRENEURIAL ZONES

Projects aimed at construction activities and instalments of equipment within the entrepreneurial zones are carried out for the purposes of achieving even development within the whole territory of the Republic of Croatia.

Twenty-five local self-government units within Varaždin County have formed and constructed a total of 57 entrepreneurial zones with a total area of over 1,400 ha. The basic information on Varaždin County's entrepreneurial zones is shown below:

40 business, economic, entrepreneurial and industrial zones

16 zones with complete energy, traffic and communication infrastructure

3 zones with an ICPR certificate (Investment Certification Programme for Regions) - Entrepreneurial zones Knežinec, Lepoglava and Jalžabet

1,400 ha - the total area of entrepreneurial zones in Varaždin County

7,000 employees within the business zones of Varaždin County

Varaždin County has formed the company AZRA d.o.o. (Varaždin county development agency) within which operates Investment Office, which offers logistic support to investors and is the central point of contact for existing companies wishing to expand their business activities within the county.

BUSINESS ACTIVITIES IN STATE-SUPPORTED AREAS

Eight local self-government units within the Varaždin County have been categorized as group II according to their development index, meaning that they are state-supported areas. These are:

- Bednja
- Breznica
- Cestica
- Donja Voća
- Mali Bukovec
- Martijanec
- Sv. Đurđ
- Visoko

Entrepreneurs whose official seat is in one of the above mentioned local self-government units have the right to tax and other reliefs shown in the table below:

CORPORATE TAX		PERSONAL INCOME TAX		PUBLIC UTILITY FEES
For entrepreneurs	For craftspersons	For employees ³		
Basic rate of 20 %	Basic rates in the amount of 12 %, 25 % and 40 %	Basic personal exemption HRK 2,600		Local self-government units may pass a decision on exemption of payment of public utility levies and fees.
Relief in the amount of 50 %	Reliefs for craftspersons in the amount of 50 %	Personal exemption HRK 3,000		

³ In accordance with the final proposal of the Act on Amendments to the Corporate Tax Act, which entered into force on 1 January 2016.

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