



FORMAL OPINION
on the draft decision on granting tax incentives to attract investments and create new jobs in the Drăgănești-Olt City

By analyzing

The draft decision on granting tax incentives to attract investments and create new jobs in the Drăgănești - Olt City submitted by the Drăgănești - Olt City Hall, Olt County, by the address no 19437/06.05.2015, registered at the Competition Council with no. RG/5017/12.05.2015, in order to receive a formal opinion,

And ascertaining that:

1. The Scheme was set up based on the Regulation (EC) no 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid¹;

2. The objectives of the scheme are as follow:

- economic and social development of the Drăgănești - Olt City by attracting investments generating and creating new jobs;
- creating new jobs in the region with immediate effect on reducing unemployment or increase employment of labor;
- stimulating local entrepreneurs by providing tax breaks for investments in the region, with immediate effects on the socio-economic development of the region.

3. Drăgănești - Olt City Council, Olt County, is managing the de minimis scheme and simultaneously is the supplier of the de minimis aid;

4. De minimis aid scheme complies with Government Emergency Ordinance no. 77 of 3 December 2014 regarding national procedures in the state aid field and the amendment and completion of the Competition Law no. 21/1996², with the following specifications:

- this de minimis aid scheme complies with art. 3(4) of the GEO no. 77/2014 – an opportunity analysis was drawn (attached);
- because it is initiated by a local authority, this de minimis aid scheme shall comply with art. 7 (4) of the GEO no. 77/2014 – the Prefect Institution and the County Council were informed about the intention of drafting and adopting this scheme (attached).

¹ Published in the Official Journal of the European Union no L 352/24.12.2013, final paper.

² Published in the Official Gazette of Romania, part I, no. 893/9.12.2014.

5. The total budget of de minimis scheme allocated for the period 2015-2020, is EUR 600 000, and the estimated number of beneficiaries is 35 undertakings;

6. De minimis aid is granted in the form of reduction / exemption from tax on buildings and land tax, depending on the value of investments and the number of new jobs created as a result of investments;

7. The scheme is valid until 31 December 2017. Tax breaks will be awarded for a period of 3 years from the completion of the initial investment, but no later than December 31, 2020

COMPETITION COUNCIL

Based on art. 7 para (6) of the Government Emergency Ordinance no. 77 of 3 December 2014 regarding national procedures in the state aid field and the amendment and completion of the Competition Law no. 21/1996,

ISSUES FORMAL OPINION

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