

Exemption from Entry Tax: MSMEs

Govt. of Karnataka



§ Scheme Summary/key features:

On 1st July 2017, GST (Goods and Services Tax) was implemented in India. It replaced a host of central government and state government taxes, including all forms of entry tax. Karnataka State Industrial Policy exempted the MSMEs

•**Eligibility:** All MSMEs

§ Amount or Percentage of Subsidy:

General category	Special category (SC/ST/Women/minorities/physically challenged and ex-servicemen entrepreneurs)
Zone 1:5% for 6 years* Zone 2:5% for 5 years* Zone 3:5% for 5 years* *On loans availed from KSFC and scheduled commercial banks which are not covered under CLCSS of Govt. of India	Zone 1:5% for 6 years* Zone 2:5% for 5 years* Zone 3:5% for 5 years* *On loans availed from KSFC and scheduled commercial banks which are not covered under CLCSS of Govt. of India

For Quality certification

General category	Special category (SC/ST/Women/minorities/physically challenged and ex-servicemen entrepreneurs)
For all zones	For all zones
ISO series certification: 75% of cost (maximum Rs.75,000/ BIS Certification: 50% of fees payable to BIS for certification (max.Rs.20,000/ & 25% of cost (max. Rs.50,000/) for purchase of testing equipment as approved by BIS	ISO series certification: 75% of cost (maximum Rs.100,000/ BIS Certification: 50% of fees payable to BIS for certification (max.Rs.25,000/ & 25% of cost (max. Rs.1,00,000/) for purchase of testing equipment as approved by BIS. We connect

100% Exemption for MSMEs from paying Entry tax on 'Plant & Machinery and capital goods' for an initial period of three (3) years from the date of commencement of project implementation in areas Other than Hyderabad Karnataka Area Zone 1,2,3 and HK Zone 1 & 2 for MSME entrepreneurs in the categories of General, SC/ST/Women, Minority, backward class and ex-servicemen.

Applicable State: Karnataka

<https://ebiz.karnataka.gov.in>