

S Korea To Offer More Research Tax Breaks

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South Korea's Minister of Finance and Deputy Prime Minister, Yoo Il-Ho, who presided over an April 28 ministerial meeting on the country's present low economic growth, announced proposals for tax measures to accelerate industrial restructuring and investments in new growth industries.

Subject to parliamentary approval, the Government is to provide the "strongest-ever support" in that respect. There will be tax credits of up to 30 percent for research and development (R&D) investment in new industrial sectors, and of up to 10 percent for facilities investment, such as production lines, that commercialize new technologies. These new sectors are still to be specified, but could include new energy, artificial intelligence, and biotechnology businesses.

An expanded tax break could also be granted for R&D investments in new medicines, and there could be a new 10 percent tax credit to promote the cultural content industry, such as for the production of movies and television programs.

Finally, the Government intends to provide a 75 percent tax credit (increased from 50%) for businesses in the services sector that increase the size of their workforce.

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