

## Yucatan Grants New Tax Benefits for Investments in Industrial Zones

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On June 28, 2024, the "Decree to promote investment in the industrial zones of Progreso I and Mérida I in Yucatan, Mexico" (the "Decree") was published in the Official Journal of the Federation. Such Decree grants certain tax benefits and administrative assistance for taxpayers that carry out productive economic activities in the electrical and electronics industries, semiconductors, automotive (electromobility), auto-parts and transportation equipment, medical devices, pharmaceutical and medical devices, agrobusiness, power generation and distribution equipment, machinery and equipment, among others, in the Industrial Clusters of the Progreso I and Mérida I industrial zones in the state of Yucatán (the "Industrial Zones").

The tax benefits ("Tax Benefits") granted consist of a tax credit against the amount of income tax ("ISR" by its acronym in Spanish) applicable in a certain fiscal year, equivalent up to the total amount of the ISR incurred, according to terms of the Decree.

Under the Decree, taxpayers must meet certain requirements to qualify for the Tax Benefits, including a requirement that the taxpayer have its tax residence in the Industrial Zones, as well as to have an official document granting the use, enjoyment, exploitation and /or the possession (as the case may be) of property located within such Industrial Zones, among others.

Please contact us with questions or comments as to the application of these new Tax Benefits.