

## Should Local Governments Expect Benefits from Special Economic Zones: The Case of Poland

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**Abstract :** The impact of Special Economic Zones (SEZs) has been analyzed for many years by researchers. There are lot of theoretical studies proving the SEZs importance for regional development, however, there is lack of empirical studies (and they are mainly focused on China market) that are based on available data. The theoretical studies indicate the various impacts of enterprises operating within SEZs on the economy. The article proves that, in case of Poland, locating SEZs in municipalities is an important part of increasing municipalities' income. Therefore SEZs have a positive impact on regional development. Municipality income is understood as taxes paid by taxpayers who depend on SEZ companies' performance. The analysis includes the Corporate Income Tax (CIT), Personal Income Tax (PIT) and real estate tax. The effects of SEZs on regional development were narrowed to a few variables that are most significant for the financial system. The analysis indicates the significant impact of SEZs on the amount of taxes influencing the municipality budget.

**Keywords :** special economic zone, local finance, municipal finance, government

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