

Türkiye Hikes Corporate Tax Rates

JULY 19, 2023

Law No. 7456 ("the Law") which increases corporate tax rates by amending Article 32 of Corporate Tax Law (Law No. 5520) is published in the Official Gazette on July 15, 2023 (No. 32249).

The Law increases the general corporate tax rate from 20% to 25% on corporate income. Further, the corporate tax rate particularly applicable for banks, companies operating under the scope of Financial Leasing, Factoring and Financing Companies Law (Law No. 6361), electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies, and pension companies has been increased from 25% to 30% with the Law.

The amendment has become effective upon the date of its publication in the Official Gazette and shall apply to tax declarations to be submitted as of October 1, 2023. It will be implemented for the income of companies in the tax year of 2023 and subsequent taxation periods. Additionally, the new rates will be applicable to the companies subject to special accounting periods, starting from the special accounting period commencing in 2023 and subsequent taxation periods.

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