

Circular

Istanbul, 20 February 2020

Circular No: 27

Subject: Law no.7221 containing amendments to the valuable housing tax published in the Official Gazette.

Amendments indicated below have been announced for the implementation of valuable housing tax, through the Law no.7221 published in the Official Gazette dated 20 February 2020:

-The obligation for valuable housing tax will start from the beginning of 2021. In this context, the declarations required to be submitted until 20 February 2020 (after the postponement 20 March 2020) for 2020 will not be submitted and no tax will be accrued.

-Implementation of valuation of residences subject to taxation by the General Directorate of Land Registry and Cadastre (TKGM) has been ended. Accordingly, only the building tax value determined within the scope of the Real Estate Tax Law will be taken into account in determining whether a house is within the scope of the valuable housing tax.

-The tax on the houses covered by the valuable housing tax will be calculated according to the tariff indicated below:

Value	Tax rate
Those between TL 5.000.000 and TL 7.500.000 (including this amount) for the part exceeding TL 5.000.000	3 per thousand
Those up to 10.000.000 TL (including this amount) 7.500 TL for 7.500.000 TL, for more	6 per thousand
Those over TL 10.000.000, TL 22.500 for 10.000.000 TL, for more	10 per thousand

-Regardless of their income or being retired or not, the ones owning a single residential property within the borders of Turkey will not pay the valuable housing tax whatever the value of this property is.

-Those who have more than one residential property will not pay tax on their single property with the lowest value.

- Above regulations of the Law no.7221 were enacted on the date of publication (20 February 2020).

Our explanations provided above include general information on the issue. No responsibility can be claimed against EY and Kuzey YMM ve Bağımsız Denetim A.Ş. due to the implications arising from the context of this document or emerging with respect to its context.

Best Regards,

KUZEY YMM VE BAĞIMSIZ DENETİM A.Ş.