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Turkey proposes increase in corporation tax rate

On 2 April 2021, the Turkish Government submitted a Draft Law on *Amendment of the Law on Collection Procedures of Public Receivables and Other Certain Laws* (the Draft Law) to the Turkish Parliament. According to the Draft Law, the rate of corporation tax would be applied at the rate of 25% for the 2021 tax year and 23% for the 2022 tax year.

The current corporation tax rate is 20% in Turkey for the 2021 tax year. This rate was 22% for fiscal years 2018, 2019 and 2020 temporarily.

If the Draft Law enters into force, the rate of corporation tax will be increased to 25% for 2021 and 23% for 2022 tax years.

With respect to the imposition of withholding tax on corporate income regardless of distribution, which has been discussed in the agenda of the press and public since 26 February 2021, no provisions have been included in this Draft Law.

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