

April 26, 2021
2021-5473

Turkey increases corporation tax rate for 2021 and 2022 tax years

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 on 2 April 2021. The Draft Law proposes increasing the corporation tax rate to be applied at the rate of 25% for the 2021 tax year and 23% for the 2022 tax year. See EY Global Tax Alert, [Turkey proposes increase in corporation tax rate](#), dated 5 April 2021.

The aforementioned Draft Law was published in the *Official Gazette* dated 22 April 2021 and has entered into force. Under the Law, the provisional article has been added to the Corporation Tax Law No. 5520 and the corporation rate tax has been increased from 20% to 25% and 23% for the 2021 tax year and the 2022 tax year respectively.

Such rates will be applicable to the corporate income of the tax year starting from 1 January 2021 and the corporation tax declarations that must be submitted as of 1 July 2021. For companies with a special accounting period, increased rates shall be applicable for the corporate income of the accounting period starting in the related tax year.

The new provisional article entered into force on its publication date.

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