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Turkiye's new law increasing the corporation tax rates enters into force

- *The Turkish Parliament has enacted a new tax law, effective 15 July 2023.*
- *This Alert highlights key changes under the new law affecting corporations.*

The Turkish Parliament has enacted law No. 7456, which had been proposed for enactment on 5 July 2023. Parliament enacted the new law as proposed and published the text in the *Official Gazette* dated 15 July 2023. (For background, see EY Global Tax Alert, [Turkiye proposes amendments in Turkish tax laws, including an increase in corporate income tax rates](#), dated 10 July 2023.)

Under the new law, the Turkish standard corporate income tax rate is 25% on corporate income obtained in 2023 and following years.

The corporate income tax rate is 30% on the corporate income of financial institutions obtained in 2023 and following years.

A five-point reduction in the corporate income tax rate applies for income derived exclusively from exportation activities in 2023 and following years.

A one-point reduction in the corporate income tax rate continues to apply for income derived from manufacturing activities of corporations that have been granted industrial registration certificates and are engaged in manufacturing activities.

Corporations that are subject to a special accounting period will apply the new rates on income obtained in the special accounting period that begins in calendar year 2023 and following years.

Other provisions of the law on additional motor vehicles tax and reduced/canceled tax exemptions also entered into force on the date of the law's publication (15 July).

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