

Maximum refundable VAT

In the Communiqué on VAT General Application, there are different regulations for different types of refunds regarding the VAT upper limit (Maximum refundable VAT) that can be refunded within a period.

The general rule is that the VAT amount to be refunded in a period does not exceed 18% of the transaction price that gives rise to the right to refund. Exceeding this limit is possible due to direct charges. However, in this case, the amount exceeding the limit will be refunded exclusively according to the result of the inspection.

VAT to be refunded due to transactions subject to reduced rate cannot exceed (17%) of transaction value for transactions subject to (1%) rate and (10%) for transactions subject to (%8) rate.

The VAT amount to be refunded to the taxpayers who export the goods purchased with export registration cannot exceed the amount to be calculated by applying the general tax rate to the difference between the export price and the delivery price with the export condition.

VAT to be refunded in the delivery goods manufactured with inputs purchased without paying VAT in scope of inward processing authorization certificate with export registration cannot exceed the amount to be calculated through applying general tax rate to the difference between export registered delivery fee and fee of input purchased domestically and from abroad without paying any VAT in scope of inward processing authorization certificate. This limit is not applied in terms of deliveries with export registration made to foreign trade companies and sectoral foreign trade companies.

VAT to be refunded to a manufacturer exporter which itself exports the goods manufactured with inputs purchased without paying any VAT domestically or from abroad in scope of inward processing authorization certificate shall not exceed the amount to be calculated through applying general rate to the difference between export fee and input fee purchased without paying any VAT in scope of inward processing authorization certificate.

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