

April 5, 2021  
2021-5394

## 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.

---

For additional information with respect to this Alert, please contact the following:

### **Kuzey Yeminli Mali Müsavirlik A.S., Istanbul**

- Ates Konca | [ates.konca@tr.ey.com](mailto:ates.konca@tr.ey.com)
- Gamze Durgun | [gamze.durgun@tr.ey.com](mailto:gamze.durgun@tr.ey.com)

---

The information contained herein is general in nature and is not intended, and should not be construed, as legal, accounting or tax advice or opinion provided by Ernst & Young LLP to the reader. The reader also is cautioned that this material may not be applicable to, or suitable for, the reader's specific circumstances or needs, and may require consideration of non-tax and other tax factors if any action is to be contemplated. The reader should contact his or her Ernst & Young LLP or other tax professional prior to taking any action based upon this information. Ernst & Young LLP assumes no

obligation to inform the reader of any changes in tax laws or other factors that could affect the information contained herein.

**Copyright © 2021, Ernst & Young LLP.**

All rights reserved. No part of this document may be reproduced, retransmitted or otherwise redistributed in any form or by any means, electronic or mechanical, including by photocopying, facsimile transmission, recording, rekeying, or using any information storage and retrieval system, without written permission from Ernst & Young LLP.

Any U.S. tax advice contained herein was not intended or written to be used, and cannot be used, by the recipient for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code or applicable state or local tax law provisions.

"EY" refers to the global organisation, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients.

[Privacy](#) | [Cookies](#) | [BCR](#) | [Legal](#) | [Global Code of Conduct](#)