

Taxation of social media content producers

The income of those who produce social content on the internet (such as advertising, sponsorship, subscription and sales revenues and donations, gifts, tips received) and the income of those who develop applications for mobile devices such as smart phones or tablets from these activities have been considered exempt from income tax since 2022.

Expanding scope

According to Law numbered 7491, income obtained from services such as individual courses, training, data processing and development, and product promotion provided over the internet and similar electronic media are also included in this exemption. However, this application will be valid for income earned as of January 1, 2024.

Requirements to benefit from exemption

Taxpayers which are intending to benefit from such exemption should:

- Apply to the tax office where they are resident and obtain an "Exemption Certificate",
- Apply to one of the banks established in Türkiye with this document and open an account from which the revenue related to the exempted activities will be collected,
- Submit their bank account information (Bank name, bank branch, IBAN number) in writing to the tax office within 1 month from the account opening date,
- Collect all revenues related to the above-mentioned activities through these accounts.

Applications for exemption certificates and notifications regarding bank accounts can also be made online via the "Digital Tax Office/Interactive Tax Office".

Tax deduction shall be made by the bank

The fact that such income is exempt from income tax does not mean that there will be no tax deduction (withholding). According to the law, banks are required to withhold income tax at the rate of 15 percent on the amount of income transferred to these accounts as of the date of transfer.

Exemption limit

If the total income collected as above does not exceed 1 million 900 thousand Turkish lira by the end of 2023, a separate declaration is not submitted for these incomes. In other words, the 15% tax deduction made by the bank is considered as the final tax.

If the amount collected from these activities exceeds 1 million 900 thousand Turkish liras in 2023, the exemption cannot be used. Such persons should submit an annual income tax return for all of their respective income. In this declaration, which will be submitted in March 2024, the remaining amount must be paid to the tax office after deducting the taxes deducted by the banks in the relevant year from the income tax calculated according to the increasing rate tariff starting from 15 percent to 40 percent.

When the limit of 1 million 900 thousand Turkish liras is increased by the revaluation rate, the limit that will be valid in 2024 is calculated as 3 million Turkish liras.



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