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CIRCULAR 18/10

Subject: Changes in SCT and RUSF Rates and Time Extension for Income Tax Law

1. Time Extension for Provisional Article 82 of the Income Tax Law

Article 3 of the Cabinet Decree No. 2017/11176 provided a time extension for the period specified in the Provisional Article 82 of the Income Tax Law no. 193 to 31/12/2022 which was previously set for 31/12/2017. As a result of this amendment, until the date of 31/12/2022, individual participator investor natural persons who are fully obligated as per the Additional Article 5 of the Law on Organization and Duties of the Under-secretariat of Treasury dated 9/12/1994 and numbered 4059, can reduce %75 of the amounts of shares calculated according to the appraisal provisions of the Tax Procedural Law no 213 from the incomes and revenues constituting basis for their annual return for the period of acquisition of the shares of the legally obligated joint-stock companies after execution date of said article.

2. Changes in the Tax Assessment Basis Amounts for Special Consumption Tax Calculated According to Engine Cylinder Displacement

New arrangement stipulates determination according to engine cylinder displacement and SCT basis. Accordingly, the following rates will be applicable for specified types;

a) for those with an engine cylinder displacement up to 1600 cm³;

- and SCT basis not exceeding 46.000 TL: %45

- and SCT basis between 46.000 TL and 80.000 TL: %50;

b) for those with an engine cylinder displacement between 1600 cm³ and 2000 cm³;

- and SCT basis not exceeding 114.000 TL: % 100,

- those with an electric motor with a power exceeding 50 KW and the engine cylinder displacement not exceeding 1800 cm³;

- and SCT basis not exceeding 57.000 TL: %45,

- and SCT basis between 57.000 TL and 91.000 TL: %50,

c) those with an electric motor with a power exceeding 100 KW and the engine cylinder displacement between 2000 cm³ and 2500 cm³ with a SCT basis not exceeding 114.000TL: % 100.

3. Regarding the minimum fixed tax amounts a fixed tax amounts as specified in the Appendix (III) Table (B) of the Law numbered 4760, it is decided that these will not be applied in the January-June 2018 period.

Respectfully,

SELHEP OFFICE

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