TURKISH TAX SYSTEM | 2026

Updated: 4 November 2026 • Based on the section structure of the source document. For general information; transaction-specific rules must be checked.

1. TAXES

Taxes in Türkiye can broadly be classified as taxes on income, expenditure and wealth. Tax treatment depends on tax residence, type of income, exemptions and specific statutory provisions.

1.1. Income Taxes

Personal income tax and corporate income tax are governed by separate laws. Income categories include business, agricultural, employment and professional income, rental and investment income, and other gains and income.

1.1.1. Personal Income Tax

Resident individuals are generally taxed on worldwide income; non-residents on income derived in Türkiye. Statutory exceptions to residence and the six-month rule, as well as double-tax treaties, require separate consideration. The progressive 2026 rates range from 15% to 40%.

2026 personal income tax brackets — non-employment income

Taxable income bracket	Marginal rate
Up to TRY 190,000	15%
TRY 190,000–400,000	20%
TRY 400,000–1,000,000	27%
TRY 1,000,000–5,300,000	35%
Above TRY 5,300,000	40%

2026 personal income tax brackets — employment income

Taxable income bracket	Marginal rate
Up to TRY 190,000	15%
TRY 190,000–400,000	20%
TRY 400,000–1,500,000	27%
TRY 1,500,000–5,300,000	35%
Above TRY 5,300,000	40%

These are marginal rates; one rate does not apply to the entire tax base. Source: Income Tax Law Art. 103 and Income Tax General Communiqué No. 332.

1.1.2. Corporate Income Tax

Taxpayers include companies, cooperatives, public economic entities, economic enterprises of associations and foundations, and joint ventures. Entities with a registered or effective management office in Türkiye are resident taxpayers.

2026 category / income	Rate
Standard corporate income tax	25%
Certain financial institutions and specified PPP/BOT project companies	30%
Export income (subject to conditions)	20%
Actual manufacturing income of industrial-registration holders (subject to conditions)	24%
First-time public offering of at least 20% (subject to conditions)	23%

Combining reduced rates, allocating income and applying special provisions requires separate review. Domestic minimum corporate tax and global minimum top-up tax rules may also be relevant.

Dividends paid by resident companies to individuals generally attract 15% withholding (from 22 December 2024). Distributions to resident companies are generally not subject to withholding. Tax treaties and non-resident rules may apply. Capitalization of profits is not treated as a dividend distribution.

1.2. Taxes on Expenditure

1.2.1. Value Added Tax (VAT)

In 2026, the standard VAT rate is 20%, with 10% for goods/services in List II and 1% for those in List I. Exemptions, withholding and special rates depend on the transaction. Goods exports, qualifying service exports and certain machinery/equipment supplied under investment incentive certificates may be exempt.

1.2.2. Special Consumption Tax (SCT)

SCT applies to (I) petroleum, natural gas and similar products, (II) vehicles, (III) alcohol and tobacco, and (IV) other listed goods. There is no single standard rate: rates or fixed amounts depend on tariff classification and product attributes. Certain amounts changed during 2026.

1.2.3. Banking and Insurance Transactions Tax (BITT)

BITT treatment depends on the transaction. The general rate is 5% for many transactions, but different rates/exemptions apply to loans, consumer credit, foreign-exchange transactions and other special cases. The old statement that FX transactions have been untaxed since 2008 is no longer valid.

1.2.4. Stamp Duty

Stamp duty is charged at proportional or fixed rates on documents listed in Schedule 1 of the Stamp Duty Law. A common rate for contracts stating a monetary amount is 9.48 per thousand; not all documents have the same rate. The 2026 cap per document is TRY 29,115,961.10.

1.3. Wealth Taxes

The principal wealth taxes are property tax, motor vehicle tax and inheritance/gift tax. Property tax generally ranges from 1 to 6 per thousand according to property type and metropolitan status; a cultural heritage contribution also applies. Vehicle tax depends on type, age, engine characteristics, registration date and, for some vehicles, value.

2. TAX INCENTIVES

The 2012 incentive classification in the source is outdated. Decision No. 9903, effective 30 May 2025, reorganized the system into the Türkiye Century Development Initiative (Technology, Local Development and Strategic Initiative), Sectoral Incentives (Priority and Target Investments), and regional incentives. Eligible investments may benefit from VAT exemptions, customs duty exemptions, tax reductions, financing support, machinery support, land allocation and social security premium support. Transitional rules may protect certificates issued under previous decisions.

3. SOURCES AND REVIEW NOTE

Principal legislation: Income Tax Law No. 193 Art. 103; Corporate Tax Law No. 5520 Art. 32; VAT Law No. 3065 and Decision No. 2007/13033; Stamp Duty Law No. 488 and Communiqué No. 71; Inheritance and Gift Tax Law No. 7338 Art. 16; Investment Incentives Decision No. 9903. Sources: Turkish Revenue Administration and official investment-incentive materials.

Examples of 2026 return stamp duties: annual personal income tax TRY 1,189.50; corporate tax TRY 1,605.80; VAT TRY 791.00; withholding tax TRY 791.00; combined withholding and social security return TRY 939.70.

For 2026, inheritance tax brackets carry rates of 1%, 3%, 5%, 7% and 10%; gratuitous transfers carry 10%, 15%, 20%, 25% and 30%. Brackets are the first TRY 3 million, next TRY 7 million, next TRY 15 million, next TRY 30 million and amounts above TRY 55 million. Exemptions and family-relationship rules may apply.

Updated for general information as of 4 November 2026. SCT, BITT, vehicle tax and incentives depend on numerous transaction/product characteristics; therefore, no single fixed rate is provided. The legislation in force on the transaction date governs.