



Personal Income Tax Return Filing in Turkey

2023

Global Employer Services ●

Personal Income Tax Return Filing 2022



The current Turkish laws and regulations governing the personal income tax consequences of foreigners create uncertainty in some areas regarding the filing of personal income tax returns in Turkey. Therefore, a summary and guidance of frequently asked questions and answers for income tax returns has been prepared based on the relevant Turkish tax legislation in force at the date of this document. Different rules may also apply depending on double tax treaties, nationality, domicile, residence status and length of stay in Turkey. Therefore information provided may vary depending on your personal circumstances. In view of these facts, it is advisable to consult a tax advisor in Turkey.

Personal Income Tax Return Filing

Frequently asked questions

Personal Income Tax Return Filing FAQ

1. Is there a specific income tax regime for foreign individuals in Turkey?

No, there is no special tax regime for expatriates or foreign individuals living in Turkey.

2. How will I be treated as a tax resident of Turkey?

In case you are seconded from a country Turkey has a Double Tax Treaty agreement with, your taxation status is determined in accordance with the provisions of this agreement (Article 4). The country where your financial and individual interests are closer to is in principle considered as the country where you are tax resident.

3. What is the taxation period in Turkey?

1 January – 31 December

4. Which income elements do I need to report in Turkey in case I am treated as a tax resident of Turkey?

Your world-wide income is required to be reported in Turkey regardless of where the income is delivered.

5. Which income elements do I need to report in Turkey in case I am treated as a non-tax resident of Turkey?

Only your Turkish source of income is required to be reported in Turkey.

Personal Income Tax Return Filing FAQ

6. Do I need to report only cash benefits in Turkey or also benefit in kind (like rent paid by employer directly to landlord)?

Besides cash benefits, also benefit in kind (such as rent paid by employer directly to landlord) are treated as a part of salary according to Turkish Income Tax Law. In case these benefits are not processed on Turkish payroll and therefore no salary withholding taxes are withheld for those components, then you are obliged to report them through personal income tax return.

7. Do I still need to file personal income tax return in Turkey even though I don't have any work permit in Turkey?

Yes. The filing requirement is independent from holding a valid work permit or residence permit.

8. To which tax office should I be registered?

You are supposed to be registered with the Tax Office in which jurisdiction you are officially residing. In case you have no official residence address in Turkey, then you are supposed to be registered with the Tax Office in which jurisdiction your employer is located.

Personal Income Tax Return Filing FAQ

9. What is the tax rate in Turkey for the employment income and non-employment income?

There is a progressive tax system in Turkey. The tax rates remain the same however the tax brackets are re-determined on a yearly base. In below you may see the applicable income tax brackets and rates to be applied for 2022;

Employment Income

	Taxation Rate
Up to 32.000 TRY	% 15
From 32.000 TRY to 70.000 TRY	% 20
From 70.000 TRY to 250.000 TRY	% 27
From 250.000 TRY to 880.000 TRY	% 35
Over 880.000 TRY	% 40

Non-Employment Income

	Taxation Rate
Up to 32.000 TRY	% 15
From 32.000 TRY to 70.000 TRY	% 20
From 70.000 TRY to 170.000 TRY	% 27
From 170.000 TRY to 880.000 TRY	% 35
Over 880.000 TRY	% 40

Personal Income Tax Return Filing FAQ

10. What is the due date for filing the annual income tax return?

31st of March of the following year.

11. Is there an extension system in Turkey?

No extension system is available in Turkey.

12. Can the personal income tax return be filed electronically?

Yes. As of 2014, electronic personal income tax return can be filed for employment and non-employment income types.

13. What is the procedure to file the personal income tax return electronically?

Tax payer is required to get user ID and password from tax office and access to the online tax return system through the internet site of Revenue Administration. Once password and user ID are obtained from Tax Office, they can be used for more than one time.

14. Is there a joint filing mechanism in Turkey?

No, Turkish tax regime is based on individual declaration.

Personal Income Tax Return Filing FAQ

15. For which type of expenses can deduction be claimed on the Turkish tax return if I have a filing obligation in Turkey?

There are some types of expenses deduction can be claimed for. These can be listed as follows:

- Life and Personal Insurance premiums (Limited with %15 of taxable base and insurance company should be located in Turkey)
- Education and Health expenses (Limited with %10 of taxable base. Health and education expenses should be realized to institutions located in Turkey)
 - Expenses must be related for tax payer's himself, spouse or/and kids
 - Expenses must be paid by tax payer in Turkey
- Donations and grants (Limited with %5 of the taxable base)
- Sponsorship expenses

16. Can I get reimbursed for the personal expenses I had during the previous fiscal year?

No, the expenses can be deducted only from the related fiscal year's taxable base.

Personal Income Tax Return Filing FAQ

- 17. Is there a threshold in Turkey for income from immovable and movable assets from Turkey or abroad?**
Yes, it depends and the amount varies on the type of the income.
- 18. Can I deduct the home country income taxes while filing the annual income tax return in Turkey?**
Yes, but depends.
- 19. What is the procedure to deduct home country income taxes in the Turkish income tax return?**
In order to deduct home country income taxes, official documentation proving the paid foreign tax amount has to be authenticated at the relevant Turkish Consulate located in home country and submitted to the Turkish Tax Administration.
- 20. Which methods do I have while remittance of the personal income tax due?**
Personal income taxes can be paid out through wire transfer either through Turkish bank account or international bank account, internet banking or in cash at Tax Offices' collection desks.
- 21. Can I pay my income tax liability through international bank accounts?**
Yes, no restriction for this process.

Personal Income Tax Return Filing FAQ

22. Can I pay my tax due in installments?

Tax dues can be paid in two installments. Due dates are 31st of March and 31st of July. If you would like to remit all income tax due amount; then the transaction should be completed no later than the end of March of the following year.

23. Do I need to provide my consent to any third party in case of submission of the personal income tax return by them?

Both in case of hardcopy or electronic filing, you should provide your consent to third party. Especially in case of electronic filing in order to access the electronic system on your behalf, your consultant cannot obtain your individual user ID and password from tax office without your permission or power of attorney.

24. How should I be sure that the personal information provided to third party will be secured?

Based on the global company privacy regulation, the law on certified accounts and the current Data Protection and Privacy Law; any personal information or financial information cannot be shared with third parties without having your consent and approval.

Personal Income Tax Return Filing FAQ

25. What are the consequences of non-compliant income tax position?

In case you do not file your personal income tax return on time and file retroactively under self-disclosure method (Regret filing); then the tax office only exposed irregularity fine and delay interest at the rate of 2.5 % per month. However in case this irregularity is appeared by the tax authority; then the tax office additionally exposes tax delay penalty in addition to irregularity fine and delay interest.

Also kindly note that being non-compliant in terms of income tax regulations do not make any negative effects on the immigration positions.

26. Will I be deported from Turkey in case I am exposed with tax interest and tax penalty?

No.

27. Do I have to be present at Tax Authority for the submission of the personal income tax return?

No, after you provide your personal consent through power of attorney, your physical presence is not required for registration, submission and/or obtaining user ID and password for e-filing system.

Personal Income Tax Return Filing FAQ

28. In case of treated as non-tax resident of Turkey, do I have to submit my Tax Residency Certificate obtained from home country administration during the preparation and/or submission of the personal income tax return?

Tax Administration does not seek tax residency document for preparation and/or submission of tax returns unless it is not asked for any particular reasons.

29. I do have offshore interests. Are these taxable in Turkey?

Offshore interests are taxable if you are treated as a Tax Resident of Turkey.

30. I am owner of properties which are situated outside of Turkey. Do I have to report them?

No; but in case these properties are generating rental income and in case you are treated as a tax resident of Turkey; then you should file personal income tax return in Turkey.

31. Are there property taxes in Turkey?

Yes. However, property taxes are due for estates located in Turkey.

Personal Income Tax Return Filing FAQ

32. Can I deduct any expenses arisen outside of Turkey like social security contributions or donations?

No, social security contributions and/or donations can be deductible from income taxes as long as they are contributed to institutions located in Turkey.

33. Will the Turkish tax authority tax all of my stock option income or only the part related with the Turkish assignment?

Turkish tax authority will in principle only tax the part related with Turkish assignment or duties.

34. Do I still need to file personal income tax return in Turkey if I am getting paid in Turkey and do not have any other types of income?

No, according to Turkish Income Tax Law, salary withholding taxes are final taxes on employment income and there is no additional filing requirement for the same income. However, if you receive more than 880.000,00 TRY employment income during 2022 calendar year, you need to declare this income on the 31st of March 2023 as well. However, it should be underlined that in case you would change your employer company in Turkey during the calendar year; you would need to make personal tax return declaration and pay calculated income tax for your salary income in case your cumulative income tax base under your second employer (you may freely decide which employer you will appoint as your second employer) exceed the second tax bracket of 70.000,00 TRY (applicable for 2022). Reason behind is that each employer should consider and tax your salary separately and hence starts to tax again from the first tax bracket. In such case, taxation in the payroll is not accepted final as the tax bracket should apply to the total salary income and employee becomes obliged to make personal tax return declaration for the salary.

Global Employer Services Team

Contact us

For further information please contact us:



Gülfer Irmak

Partner

Tel : 0212 366 60 73

Email : girmak@deloitte.com



Barbaros Yeşin

Partner

Tel : 0212 366 62 42

Email : byesin@deloitte.com



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms.

Deloitte provides audit, consulting, financial advisory, risk management, tax and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries bringing world-class capabilities, insights, and high-quality service to address clients’ most complex business challenges. To learn more about how Deloitte’s approximately 225,000 professionals make an impact that matters, please connect with us on [Facebook](#), [LinkedIn](#), or [Twitter](#).

© 2023. For information, contact Deloitte Turkey, Member of Deloitte Touche Tohmatsu Limited.