

TAX NEWS NO: 2014/5

September 19, 2014



Subject:

The Law including restructuring of the public receivables has entered into effect.

“The Law on Amendment to the Labour Law and Certain Laws and Decree Laws and Restructuring Certain Receivables” (Law No: 6552) has been promulgated in the Official Gazette (repeated) dated 11 September 2014.

Please note that a new law (i.e. The Law No. 6552), which is publicly known as “tax amnesty”, for the restructuring of the public receivables was ratified by the Turkish Parliament on 10 September 2014. Upon the President’s approval, the concerning law was published on the Official Gazette (repeated) on 11 September 2014 and entered into force as from the concerning date.

In this circular we will briefly discuss restructuring of the public receivables.

1. Taxes to be restructured;

The below taxes fall within the scope of the Law numbered 6552;

- Taxes subject to declaration such as income tax, corporate income tax, VAT, special consumption tax, withholding tax and stamp duty which shall be declared until 30.04.2014. (Penalties and delay charges are also included).
- Annual fees, motor vehicle tax and receivables which have accrued prior to 30.04.2014 (Penalties and delay charges are also included).
- Customs duties, administrative penalties, interests and delay charges which have accrued prior to 30.04.2014 and which are subject to Law no:6183.

2. The scope of restructuring of tax liabilities

No reduction on the principal amount of finalized tax receivables and tax loss penalties.

Within the light of the above-mentioned note,

- Tax amounts,
- Tax loss penalties,
- 50 percent of irregularity penalties,
- Amount(*) to be determined based on producer price index (instead of delay charges)

will be collected,

- 50 percent of special irregularity fees
- Secondary receivables such as delay charges

will not be collected.

(*) You may find below the approximate calculation of producer price index which will be based on, instead of collection of delay charges on the relevant taxes, in case the taxes, maturity dates of which are given below, have not been paid.

Maturity dates	Amount (TL)	Delay charges	Producer price index	Difference	Percentage
December/2009	1.000,00	839,00	368,00	471,00	0,56
December/2010	1.000,00	616,00	289,50	326,50	0,53
December/2011	1.000,00	448,00	160,40	287,60	0,64
December/2012	1.000,00	280,00	124,60	155,40	0,56
December/2013	1.000,00	112,00	69,10	42,90	0,38

In order to benefit from the provisions of the Law, taxpayers should apply to the Tax Office until December 1, 2014.

3. Declaration of cash balance and receivables from shareholders

Provisions of the Law No.6552 also allow the taxpayers to declare cash balance and receivables from shareholders which are deemed to be present in the records despite not being present in the enterprise.

According to the Article 74 of the Law No.6552, taxpayers have been required to pay additional taxes in the amount of % 3 over the receivables from shareholders and cash balances declared through amnesty returns.

Please note that the tax bases declared and the taxes paid in this manner are not allowed to be treated as a deductible item in calculation of the corporate tax bases, and are added to the corporate tax base as non-deductible items.

In order to benefit from the provisions of the Law, taxpayers should apply to the Tax Office until December 31, 2014.

Yours sincerely,
Deloitte Turkey

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