

Turkey amends Luxury Housing Tax provisions

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On 20 February 2020, Turkish Law No. 7221 which contains amendments to the Luxury Housing Tax was published in the *Official Gazette* and entered into force. In accordance with the Law, the following changes are made with respect to the Luxury Housing Tax:

- ▶ The Luxury Housing Tax will be levied as of the beginning of the year 2021. Consequently, tax returns to be submitted as of 20 February 2020 (20 March 2020 after the extension) for the current year will not be submitted and no tax will be accrued.
- ▶ The General Directorate of Land Registry and Cadastre will cease to determine the values of the houses which are subject to tax. Going forward, "the Building Tax Value" of the houses regulated by the Real Estate Tax Law provisions will be taken into account in determining whether a house is subject to tax.
- ▶ The luxury housing tax rates will be calculated based on the below tariffs:
 - 0.3% of the amount exceeding TRY5 million for houses with a value between TRY5 million and TRY7.5 million (including TRY7.5 million)
 - TRY 7,500 up to the immovable value of TRY7.5 million, 0.6% for houses with a value between TRY7.5 million and TRY10 million
 - TRY 22,500 up to the immovable value of TRY10 million, 1% for houses with a value exceeding TRY10 million

- ▶ Those who own only one residence will not be subject to the Luxury Housing Tax regardless of their type of income or whether they are retired.
- ▶ Those who own more than one real estate qualified as their residence will not be subject to the Luxury Housing Tax on their residence with the lowest value.

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