

Turkey announces Draft General Communiqué No.1 on Declarations for Tourism Contribution for public comment

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On 10 October 2019, the Turkish Revenue Administration announced on its website a Draft General Communiqué No.1 explaining the principles, declaration and payment process related to the new "tourism contribution." This new tourism contribution follows the establishment of a Turkish Tourism Agency (Agency) for the promotion and development of tourism in Turkey (Code no. 7183 was enacted on 15 July 2019 to establish the Agency.) The Code requires tourism companies in every field, from hotels to travel agents and airport operators, to pay the new levy to finance the Agency.

This Communiqué is not in force yet and is open to public review and discussions.

As stated by the Code, the tourism contribution levy will be applied at the following rates:

- ▶ Compound facilities and accommodation facilities (Hotels) 0.75%
- ▶ Food & beverage and entertainment facilities (Licensed by the Ministry of Tourism) 0.75%
- ▶ Marine tourism facilities and Marine vehicles (licensed by the Ministry) 0.75%
- ▶ Travel agents (excluding sales of individual air tickets) 0.075%
- ▶ Airline companies (commercial passenger shipping) 0.075%
- ▶ Airport and terminal operators (excluding General Directorate of State Airports Authority) 0.2%

For facilities operating in the tourism industry that are determined to be eligible for incentives by the Ministry, such as winter, thermal, health, rural and qualified sports tourism, these rates will be applied with a 50% discount.

Tourism contributions will be levied over the total of net sales and rental income derived by real or legal persons who are the investors or operators of these commercial enterprises, from the activities performed by these commercial enterprises.

Resident taxpayers subject to the levy are required to declare and file their tourism contribution returns with their registered tax office monthly and others (real and legal persons without regular tax liability) are required to declare their returns with three months period.

Contributions to tourism paid under this regulation will be considered deductible expenses for income and corporation tax purposes.

As of the effective date of this draft Communiqué, those who are obliged to declare their tourism contributions should apply to the Interactive Tax Authority (<https://ivd.gib.gov.tr/>) within 15 days following the publication of the draft Communiqué or they should apply with a physical petition directly with their registered tax offices or they should apply via registered mail service.

For additional information with respect to this Alert, please contact the following:

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