

Certain Amendments made on Special Consumption Tax Principles Applied on Motor Vehicles

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The Communiqué ("**Communiqué**") published by the Revenue Administration of the Ministry of Treasury and Finance in Official Gazette dated 26 July 2022 and numbered 31904 has brought several amendments to the Communiqué on the general application of Special Consumption Tax ("**General Communiqué**") that was published on 18 April 2015 in Official Gazette numbered 29330.

The most remarkable matters within the scope of the Communiqué are as follows:

- Although the same principle applying to the services as the accessories, painting, auto detailing and additional guarantee services obtained by the taxpayers at the delivery or the first acquisition of the vehicle in the tax assumption of the Special Consumption Tax ("**SPT**") are still applicable, as an update, it has been regulated that these services are excluded from the tax assumption if they are bought after the delivery or the first acquisition of the vehicle, given that there is no simulation.
- The competence to determine the SPT on motor vehicles has been transferred from the Presidential Cabinet to the President.
- The scope of this competence has been widened; in the previous regulation, it was possible to increase SPT rates to their double amount or decrease them to zero, while the Communiqué made it possible to increase the SPT rates and the lower and upper limits on motor vehicles by their triple amount or decrease them to zero. The President has also been given the competence to classify the goods with the HS Code of 87.03 in different tax assumption groups and apply different rates to them, on the condition that the rates are within these limitations.
- Fire trucks have been made exempt of any SPT.

Details of the Communiqué can be found through this [link](#).

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