

Turkey Amends Valuation Mechanism for Real Estate Tax

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Unit values form the basis of real estate taxes in Turkey (duplicated article 49 of Tax Procedural Law number 213). Real estate valuations are valid for four year periods and during each period, the valuation is annually re-calculated and increased, based on the revaluation rate for each year. Under recent changes, if the 2018 unit value exceeds the 2017 value by more than 50%, calculating the tax values for 2018, 2019, 2020 and 2021 will be done by increasing the 2017 unit value by 50%.

Calculation methods are described in a General Communiqué in detail, with examples. If the 2018 unit values exceed half the 2017 value, these values will not be taken into account. If a unit value was not determined for 2017 or cannot be found for any reason, the calculation will be made on the basis of unit values determined for 2018.

Provisional Article 23 was added to Real Estate Tax Law number 1319, by Article 35 of the Law Regarding Amendment on Certain Tax Laws and Other Laws, published in Official Gazette number 30261 on 28 November 2017, entering into effect on the same date. The Ministry of Economy has announced a separate Communiqué outlining calculation methods. The General Communiqué on Real Estate Tax Law (Serial number 72) was published in the Official Gazette number 30282. Please see this [link](#) for the full text of the Law and this [link](#) for the full text of the Communiqué (only available in Turkish).

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