

Turkey Introduces Tax Incentives for Local Production of Electric Motor Vehicles

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As per article 19 of the Law Number 7186 Amending Income Tax Law and Certain Other Laws (the "**Omnibus Bill**"), the provisional article 12 ("**Provisional Article 12**") has been incorporated into the Corporate Tax Law numbered 5520 ("**CTL**").

Under the Provisional Article 12, tax incentives have been introduced for electric motor vehicles' producers that:

- Benefit from investment incentives within the scope of article 80 of the Law on the Support of Investments on Project Basis and the Amendment on Certain Laws and Statutory Decrees numbered 6745,
- Conduct their R&D activities for the elimination of the exhaust gas emission having the greenhouse effect,
- Conduct their production activities entirely within Turkey.

In this regard, the President of Turkish Republic is authorized to have such electric motor vehicles' producers to disburse their investment contributions under article 32/A of the CTL, partially or fully, in cash or on account of the private consumption tax they paid until 31 December 2035 due to their first acquisition of the products, in quarterly intervals of the calendar year.

The details on the implementation of the tax advantage have not been announced, and Turkey's Ministry of Treasury and Finance are authorized to prepare the secondary regulations.

Please see this [link](#) for the full text of the Omnibus Bill, published in the duplicated Official Gazette number 30836 on 19 July 2019 (only available in Turkish).

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