

Turkey Reduces Special Consumption Tax for Hybrid Cars

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Turkey has introduced a long awaited reduction of special consumption tax on hybrid cars. Tax rates are significantly reduced, depending on the engine capacity and power of the electric motor. The incentive is intended to increase Turkish use and production of cars which have hybrid technology.

Council of Ministers' Decision (dated 26 September 2016 and numbered 2016/9260) regarding Re-Evaluation of Special Consumption Tax on Certain Goods which are Specified in Annex (II) of the Law on Special Consumption Tax numbered 4760 ("**Decision**") was published in Official Gazette number 29848 on 5 October 2016, entering into effect on the same date.

The Decision makes amendments to Annex (II) of the Law on Special Consumption Tax numbered 4760:

- **The special consumption tax at the rate of 90% is reduced to 45%** for the category of cars which have engine capacity between 1600 cm³ and 2000 cm³, with an electric motor power exceeding 50 KW and an engine capacity less than 1800 cm³.
- **The special consumption tax at the rate of 145% is reduced to 90%** for the category of cars which have engine capacity more than 2000 cm³, with an electric motor power exceeding 100 KW and an engine capacity less than 2500 cm³.

Please see this [link](#) for the full text of the Council of Ministers' Decision (only available in Turkish).

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