

Turkish Constitutional Court: Suspending Statute of Limitations during Tax Valuation Commission Deliberations is Constitutional

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The Turkish Constitutional Court recently held that suspending the statute of limitations while the Tax Valuation Commission deliberates is constitutional, provided certainty and proportionality principles are respected. The Court ruled that this did not impose an excessive and unbearable burden on taxpayers and maintained a fair balance between public interests and protecting individual property rights.

In 2009, the Constitutional Court set aside Article 114(2) of the Tax Procedural Law. It held that the unlimited duration of suspensions for the statute of limitations during Valuation Commission deliberations caused uncertainty.

In July 2010, legislators subsequently introduced a one year cap for such suspensions in terms of calculating the statute of limitations. A transitional mechanism applied a time bar for tax periods before 1 January 2005, where taxes were submitted to the Valuation Commission before 8 July 2010 but not assessed and notified by 31 December 2012.

In the case at hand, the Constitutional Court considered circumstances where the statute of limitations had been suspended for 1 year, 2 months and 28 days, while the Tax Valuation Commission considered taxable basis.

The Constitutional Court rejected the applicant's claim that the transitional mechanism's retroactive effect leads to uncertainty in taxation and violates his individual property rights.

The Court ruled that suspending the statute of limitations while the Valuation Commission deliberates does not violate the Constitution, provided that legality (certainty) and proportionality principles are respected. The court held that the transitional mechanism complies with these principles.

Please see this [link](#) for the full text of the Constitutional Court decision dated 20 October 2017 and numbered 2014/109 which was published in the Official Gazette number 30221 on 25 October 2017 (only available in Turkish).

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