

**THE INCOME TAX GENERAL COMMUNIQUÉ (SERIAL NO: 328) HAS BEEN
PUBLISHED IN THE OFFICIAL GAZETTE**

The Income Tax General Communiqué (Serial No: 328) ("**Communiqué**"), prepared by the Ministry of Treasury and Finance, Revenue Administration, has been published in the Official Gazette No. 32695 on October 17, 2024. These regulations are based on the Income Tax Law No. 193 and other relevant legislation. The aim of the regulations introduced by Communiqué is to eliminate the period of cash rent payments. These regulations cover topics such as the declaration of rental income, exemptions, and tax calculation methods. It is of critical importance for property owners to fulfill their tax obligations under this communiqué. The significant changes introduced by the communiqué are presented below for your attention.

The Communiqué, referring to Article 66 of the Income Tax Law No. 193, regulates the obligation of taxpayers to declare their rental income. The changes made in this context are as follows:

- In the First Section and the second paragraph of Article 1 of this Communiqué, it is stated: *"Based on the authority granted to our Ministry, the collection and payment of transactions related to the rental of workplaces and residential properties carried out by income and corporate tax taxpayers, as well as non-taxpayers, must be documented by the following institutions:*
 - *Banks, as defined in the Banking Law No. 5411 dated 19/10/2005,*
 - *Turkish Post Office, established under the Postal Services Law No. 6475 dated 9/5/2013.*

Failure to comply with the documentation requirement will result in the application of penal sanctions, as explained in this section, which forms the purpose and scope of the Communiqué."

Under the provisions of this article, it is important for property owners/taxpayers to **receive the aforementioned rent payments through the banks, postal, or telegraph services listed above** in order to avoid any penal sanctions being applied to them.

The Second Section of the Income Tax General Communiqué (Serial No: 328) Regulates the Scope of the Documentation Requirement and the Application of Penal Sanctions.

- In Article 2 of the Second Section of this Communiqué, the following regulations have been made:
 - It is mandatory for both landlords and tenants of residential and commercial properties to document rental-related payments and collections with documents issued by banks or the Turkish Post Office,
 - Collections and payments related to short-term rental agreements such as weekly, daily, or similar rentals are also subject to the documentation requirement,
 - Payments and collections made through legal means, such as through court or enforcement proceedings, or in-kind, related to the rental fee, are not subject to the documentation requirement,

- In the case of leasing a property with shared ownership, if the full rental fee is paid to one of the lessors through a bank or the Turkish Post Office, it will be considered as fulfilling the documentation requirement,
- As payments and collections made using methods such as deposits, remittances, EFT, checks, or bank and credit cards via banks or the Turkish Post Office result in the issuance of receipts or account statements, these documents are considered valid proof. Payments made via bank internet branches are also within the same scope. If individuals make rental payments by visiting bank branches, providing their identity number, tax identification number, name and surname/title, along with the “rent payment” explanation and depositing the amount into the landlord's account, it will be considered that the documentation obligation has been fulfilled.

If This Obligation is not Complied with, the Penal Sanctions to be Applied to Both the Lessor and the Tenant are Specified in Article 3 of the Communiqué.

- For each person who does not comply, a special administrative penalty will be imposed for each transaction as follows:
 - For first-degree merchants and self-employed professionals, the penalty will be 20,000 Turkish Liras,
 - For second-degree merchants, record-keeping farmers, and those whose income is determined through the simple method, the penalty will be 10,000 Turkish Liras,
 - For those not included in the above categories, the penalty will be 5,000 Turkish Liras or, at a minimum, 10% of the transaction amount, whichever is higher.
 - However, the total amount of special administrative penalties to be imposed within a calendar year cannot exceed 20 million Turkish Liras.
- If individuals make a payment in violation of the documentation requirement and report the situation to the authorities within five business days following the payment, no special administrative penalty will be imposed on the person making the payment, in accordance with this regulation.
- For those who do not comply with the obligation to document payments and collections through documents issued by banks, similar financial institutions, or postal authorities, the penalty amounts, both minimum and maximum, will be increased each year according to the revaluation rate announced under Law No. 213, based on the previous year's data. These adjustments will be applied starting from the beginning of the calendar year.

You can access the full Communiqué at the address:

<https://www.resmigazete.gov.tr/eskiler/2024/10/20241017-5.htm>

Best Regards,

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