CORPORATE TAX · DRAFT LAW

12.5% Corporate Tax Rate: Scope to Be Narrowed

A draft law submitted to the Turkish Parliament on 12 November 2026 excludes certain production activities from the reduced rate.

WHAT YOU NEED TO KNOW

Summary in 3 points

SWIPE TO CONTINUE →

02 · CURRENT RULE

A 12.5% rate on manufacturing profits from 2027

Law No. 7582 introduced a reduced corporate tax rate to support production. Profits that companies holding an industrial registry certificate and actually engaged in manufacturing **derive exclusively from manufacturing**, together with agricultural production profits, will be taxed at this rate.

⚖ **12.5%**

Standard rate 25% · 2027 and subsequent tax periods

Legal basis: Law No. 7582 (Official Gazette, 4 June 2026) · Corporate Tax Law No. 5520, Art. 32/8

03 · DRAFT LAW

Four groups fall outside the reduced rate

Article 11 of the draft law provides that the following companies will be **excluded from the 12.5% rate**.

01 **Precious metal refineries**

02 **Petroleum refineries**

03 **Manufacturers of tobacco products and alcoholic beverages**

04 **Companies engaged in electricity generation**

04 · EFFECTIVE DATE

Intended to apply to profits from 2027

If enacted, these companies **will not benefit from the reduced rate** on their manufacturing profits. The change will apply to profits for 2027 and subsequent years; for companies with a special accounting period, from the period beginning in 2027.

2027

Article 14 of the draft law

This is an outline summary; the impact on your company should be assessed with your financial advisor.

IN SUMMARY

Scope Narrowed

Refineries, tobacco and alcoholic beverage manufacturers and electricity generators will not benefit from the 12.5% rate.

Still a Draft Law

The text may change during the legislative process; the binding version is the law published in the Official Gazette.

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