

DEVELOPMENTS IN TAX LEGISLATION

Dec. 31, 2024

INCOME TAX GENERAL COMMUNIQUE (SERIAL NO: 329) INCLUDING EXPLANATIONS ON INCOME AND CORPORATE TAX WITHHOLDING IN ELECTRONIC COMMERCE HAS BEEN PUBLISHED

With the Income Tax General Communiqué (Serial No: 330) on Income and Corporate Tax Withholding in Electronic Commerce published in the Official Gazette dated 31.12.2024, the following explanations have been made regarding the said withholding obligation:

- Intermediary service providers and electronic commerce intermediary service providers are obliged to withhold income and corporate tax for the payments they make to service providers and electronic commerce service providers.
- In the event that nonresident corporate taxpayers are service providers or electronic commerce service providers, corporate tax will also be withheld from the payments made to them and within the scope of the regulation.
- The product sales and service price excluding value added tax and the benefits provided by intermediary service providers or electronic commerce intermediary service providers to service providers and electronic commerce service providers under the names such as awards and premiums will constitute the withholding tax base.
- The product prices returned by the customers will not be deducted from the withholding tax base, and the refund of the previous withholding tax will be realized by offsetting the income/corporate tax calculated over the income/corporate or provisional tax returns of the service provider and electronic commerce service provider taxpayer.

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