Corporate tax is an important tax levied on legal entities generating commercial profits. The income generated by companies' operations contributes to the public good through this tax. Corporate tax, which plays a crucial role in financing government expenditures, also contributes to maintaining economic stability. It is crucial to examine the details of the corporate tax and the updates for 2025. Furthermore, understanding the impact of this tax on the business world and its implementation processes will make it easier for businesses to meet their financial obligations.

## **What is corporate tax?**

The corporate tax paid by companies on their annual income ensures that businesses generating commercial profits are taxed by the government. Legal entities such as limited liability companies, joint-stock companies, and cooperatives are considered corporate taxpayers. The purpose of the corporate tax is to ensure that companies receive a fair share of their profits and that this share is channeled towards public services.

This taxation contributes to maintaining economic balance and financing government public spending. Corporate taxation also indirectly impacts companies' financial performance, balancing the relationship between profitability and taxation. This system contributes to the sustainability of public investments by contributing a significant portion of the country's tax revenues.

## **Corporate tax rate 2025**

The corporate tax rate for 2025 was determined within the framework of economic targets and budget policies. Current regulations currently apply the corporate tax rate to 25%. For the private sector, it is 30%. However, this rate may vary depending on sectors and specific circumstances. Different rates may apply in certain strategic sectors or under incentive programs.

Regulations for 2025 include elements such as additional obligations or discounted rates, particularly for highly profitable sectors. These changes aim to support the overall structure of the economy and encourage investment in specific areas. The introduction of special rates and incentives for companies engaged in international trade aims to provide a competitive advantage.

### **Minimum corporate tax**

The minimum corporate tax is a measure designed to prevent companies from paying taxes below a certain level. This regulation was developed to prevent some companies from avoiding tax payments by understating their income through various accounting methods. The minimum corporate tax ensures that companies are taxed at a certain base amount, regardless of their annual income.

This practice specifically aims to encourage companies that don't report profits or that report losses to contribute to taxation through their economic activities. This enhances the effectiveness of a fair tax system. Such practices broaden the tax base, allowing more resources to be directed to public services.

## **When is corporate tax paid?**

Corporate tax is generally paid on specific dates each year. In Türkiye, the corporate tax return filing period is between the beginning and end of the fourth month of the year following the closing of the accounting period. The 2024 corporate tax return is due in April 2025, and payment is due in the same month.

In some cases, payment deadlines may be extended or installment plans may be offered. By fulfilling their obligations on these dates, companies avoid penalties and ensure they pay their tax debts regularly. Keeping track of tax payment deadlines is crucial for companies to maintain sound financial performance.

## **Corporate tax return**

A corporate tax return is an official document detailing a company's revenues, expenses, and profits for a year. This return is prepared based on the company's accounting records and financial statements. Providing accurate and complete information is crucial when preparing a return. Inaccurate or incomplete statements can lead to administrative fines and financial investigations.

Corporate tax returns are submitted electronically to tax authorities and completed in accordance with the standards set by the Revenue Administration. The tax return process is a fundamental step for companies to fulfill their financial obligations. Accurately preparing returns helps companies navigate tax audits smoothly.

## **Corporate tax extension to 2025**

Extensions to the 2025 corporate tax payment and filing deadlines will be evaluated based on economic conditions and the needs of businesses. Natural disasters, economic crises, or other extraordinary circumstances may necessitate an extension of payment deadlines. In such cases, tax authorities may postpone payment and filing deadlines for a certain period to prevent inconvenience to taxpayers.

Extension decisions enter into force upon publication in the Official Gazette, and taxpayers are expected to fulfill their obligations within this period. This extension opportunity helps businesses maintain their financial stability. Such arrangements offer significant flexibility for taxpayers to ensure economic stability.

### **Corporate tax news**

News and updates on corporate tax are crucial for businesses and financial advisors. In 2025, developments related to tax regulations affecting international trade and the digital services tax are particularly prominent. New regulations, such as tax reductions or exemptions for specific sectors, may be implemented to encourage economic development.

Changes in tax legislation directly impact how companies fulfill their obligations. It's crucial for companies to closely monitor current tax information and develop sound strategies. Changes in tax legislation can also have consequences that could impact commercial competition at both the national and international levels.

## **Corporate tax calculation**

The process of calculating corporate tax requires a detailed examination of a company's income and expenses. Taxable income is calculated by deducting legally recognized expenses from a company's total income. The applicable corporate tax rate is applied to this amount. The calculation also takes into account depreciation expenses, financing costs, and deductions such as donations.

Professional support for companies during this process plays a crucial role in preventing penalties that may arise from incorrect calculations. Accurate calculations ensure companies fully meet their financial obligations. Furthermore, effectively utilizing tax advantages also helps companies optimize their costs.

## **Corporate taxpayers**

Corporate taxpayers are legal entities engaged in commercial activities. Various organizations, such as cooperatives, joint-stock companies, limited liability companies, and business partnerships, are obligated to pay this tax. Foreign companies operating in Türkiye also pay corporate tax on their income. Penalties apply if taxpayers fail to fulfill their obligations.

Accordingly, companies must implement a systematic accounting and financial management process to meet their tax obligations. Proper taxation of taxpayers ensures the fair and efficient operation of the tax system. The responsibilities of being a taxpayer are also important for companies to protect their corporate reputation. How many installments are required for corporate tax payment?

Corporate tax is generally paid annually, in one lump sum. In Türkiye, payments must be made by the end of April, the filing period. However, during periods of economic fluctuations, extraordinary circumstances such as pandemics, or when businesses experience financial difficulties, the Revenue Administration may consider installment plans. In these cases, the tax debt may be paid in two or more installments.

Installment options are generally considered upon written request from taxpayers, and the application must be submitted to the relevant tax office. During the installment process, the company's financial situation is reviewed, and the payment plan is determined accordingly. In some cases, a specific interest rate may be applied to businesses to facilitate their payments. Installment options offer a critical advantage for taxpayers, particularly during economic crises, allowing businesses to meet their obligations without disrupting their long-term plans.