



**TURKISH REVENUE  
ADMINISTRATION**

**GUIDEBOOK ON RENTAL INCOME FOR  
NON-RESIDENT TAXPAYERS  
(Citizens of Foreign Countries not Residing in Turkey and  
Turkish Citizens Residing Abroad)**

**2014**

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**TURKISH REVENUE ADMINISTRATION**

**Taxpayer Services Department**

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## **MISSION**

Our mission is to increase voluntary compliance by protecting taxpayer rights and to collect taxes and other revenues by providing high-quality service.

## **VISION**

Our vision is to be an exemplary model as an administration that promotes formal economy by embracing economic activities, that provides voluntary compliance by protecting taxpayer rights and collects taxes and other revenues by offering quality service.

## **CORE VALUES**

Justice  
Solution Oriented  
Flexibility  
Effectiveness  
Reliability  
Participation  
Transparency  
Responsibility  
Continuous Development  
Impartiality  
Efficiency  
Competency

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## **INTRODUCTION**

Individuals who do not settle in Turkey are defined as non-resident taxpayers and they are only subject to taxation on their income obtained in Turkey. In this context, non-resident taxpayer means person who does not reside in Turkey or who spends less than a continuous period of six months in Turkey during a calendar year.

This guide has been prepared in order to present general information about the properties and rights which are subjects of rental income, the calculation of rental income amount which will be declared, the amount of exception, expenses which shall be deducted from declared rental income, tax withholding in rental payments and the calculation of due tax for the property and rights subject to rental income of non-resident taxpayer's renting their property and rights in 2013. The guide also includes explanation with samples regarding the determination of the amount that should be declared and in which conditions the non-resident taxpayers shall declare their rental income.

### **1. RENTAL INCOME**

The income obtained from leasing of the properties and rights which are stated in Income Tax Law is defined as "immovable property income" and is subject to income tax in certain conditions.

The liable persons of immovable property's income are the owners, tenants (persons having the rights to use actually), possessors, servitudes and usufruct right owners of the property and their tenants in the event of leasing of a rented property and right.

### **2. PROPERTY AND RIGHTS WHICH ARE SUBJECTS OF RENTAL INCOME**

Property and rights which are subjects of rental income are defined in Article 70 of Income Tax Law. They are mentioned as;

- Land, building, mineral water and underground water sources, mines, stone pits, production places of sand and gravel, brick and tile fields, saltworks and their component parts;
- Large fishing net fields and fishponds;
- Component parts of immovable properties leased separately and all their installations, inventory stock and flooring;
- Rights registered as immovable property;
- Searching, operating and franchise rights and their licenses, patent right, trademark, commerce title, any kind of technical drawing, design, model, plan and cinema and television films, audiotapes and videotapes, a secret formula belonging to an experience acquired in industry, commerce and science or rights as right of usage or privilege of usage on a production method;
- Copyrights,
- Ships and shares of ship and all the motorized shipment and unloading vehicles;
- Motorized transfer and draw-frame vehicles, any kind of motorized vehicle, machine and installation and their appurtenance.

**Income occurring from leasing of copyrights by authors or their legal inheritors and patentees or their legal inheritors is considered as income from independent business.**

If the abovementioned property and rights are included in a commercial or agricultural enterprise, their income is calculated in accordance with the provisions regarding the determination of commercial or agricultural income.

Income derived from leasing of immovable properties and rights which are not included in the enterprise is accepted as immovable property income even they belong to merchants.

Also, income of landlords taking share only from product without actually participating in agricultural activity and shares taken from the income of foundation not as service compensation is considered as immovable property income.

### **3. OBTAINING OF RENTAL INCOME**

Obtaining of rental income is bound to collection principle. In order to tax the rental income in accordance with the collection principle, it should be collected in cash or in kind.

#### **3.1. Collection of Rental Income in Cash**

Collection of rental income in cash states that the payment of rent in Turkish Liras or in foreign currency. Received cheques are also taken into account as collection in cash.

- Rental income collected by the taxpayers relating to that year or previous years is taken into account as **the income of the year which it is collected in.**

For example, if 2010, 2011 and 2012 rental income is collected in 2013, this income shall be taken into account as the income of year 2013.

- Rental income relating to prospective years which is collected in advance is not taken into account as the income of the year which it is collected in but as **the income of the years which the income is related to.**

For example, if 2013, 2014 and 2015 rental income is collected in 2013, each year's rental income shall be declared in the related year.

In terms of foreign currency, rental payment and gross revenue is calculated according to the exchange rate announced by The Central Bank of Republic of Turkey on collection date.

#### **3.2. Collection of Rental Income in-kind**

If the rental payment is collected in-kind, payments are valued according to Tax Procedure Law.

### 3.3. Certification of Collection and Payment Regarding Leasing

Persons obtaining a rental income and their tenants must certify their collection and payment

- for residence, 500 TL or over for each house
- for workplace, without a limitation of amount

with the documents issued by banks, similar financial institutions or postal administrations.

Since receipt or monthly statement is issued for the payment and collection while using mediums like depositing money, money order, cheque or credit card by means of banks, similar financial institutions or postal administrations, these documents shall be accepted as certifying documents. Payment and collection carried out via internet branches of banks are included in the same scope.

The fine which shall be applied to persons who do not comply with the aforesaid obligations is 5% of each transaction's amount and it should be no lower than the amount of special irregularity fine determined for that year in accordance with the repeating Article 355 of Tax Procedure Law.

### 4. LOW OR NO VALUE FOR RENTAL INCOME

“Equivalent rental value” is taken as bases in case of low or no value for rental income. According to this basis, equivalent rental income principle shall be applied on the conditions of;

- leaving the immovable property to the usage of other persons for free,
- lower value of rental income of rented immovable property than the equivalent rental value.

The equivalent rental value in rented buildings and lands is the rental value determined by authorized specific authorities or courts, if it is available. If there is no renting determination or judgment for the aforementioned building or land, equivalent rental value is 5% of its real estate tax value.

The equivalent rental value in property and rights for other than buildings or lands is 10% of their cost price. If this cost is not known, it is 10% of determined values of them calculated in accordance with valuation of property provisions of Tax Procedure Law.

**Example:** Mrs. (A) gave up a flat valued 200.000 Turkish Liras to one of her friends without charge.

Accordingly, although Mrs. (A) does not obtain rental income, she should be supposed to obtain rental income in accordance with the amount reached after the calculation of equivalent rental value.

Equivalent rental value:  $200.000 \times 5\% = 10.000$  Turkish Liras. This amount should be considered as income to be declared.

**Equivalent rental value principle is not applied under the following conditions:**

- Leaving empty immovable properties to other person's residence in order to protect them,
- Allocating the buildings to the residence of the property owner's children, mother and father or siblings (But, if more than one house allocated to the residences of each of these persons, equivalent rental value is not calculated only for one of these houses.),
- Accommodating of relatives with the property owner in the same house or flat.
- Rental payments extended based on the leasing agreements concluded by offices which are covered by the General Budget and by Annex Budget Offices, by special regional administrations and municipalities and by other public institutions and organizations.

**5. EXCEPTION IN RENTAL INCOME**

If persons, who gain rental income from house (exception amount 3.200 TL for the year 2013), obtain income less than the amount of exception that is established annually, they are not required to file a tax declaration to tax offices.

If the rental income from house exceeds the amount specified for exception, the amount of exception should be deducted from rental income to be declared in the annual tax declaration.

**The exception applies only to rental income from properties that have been rented as house.**

For instance if there is a rental income obtained and declared at the same time both from house and workplace, the exception applies only to the rental income obtained from house, not to the rental income from workplace.

**Persons who have to declare their income from business, agriculture or professional activities in addition to their rental income and those who have income above exception amount, whether or not it is necessary to declare, of whose gross total of their income including wage, capital earnings, rental income and other incomes exceeding the amount for wages on third bracket of tax schedule on Article 103 of Income Tax Law (94.000 TL for the year 2013) jointly or severally, are not eligible to benefit from 3.200 TL of exception.**

Where more than one person has the ownership of a house, the taxation of the rental income obtained from such house will be subject to 3.200 TL (for the year 2013) of exception separately for each proprietor.



**Where one taxpayer obtains rental income from more than one house, the exception will be applied at one time to the total amount of rental income.**

## **6. EXPENSES TO BE DEDUCTED WHEN DETERMINING THE RENTAL INCOME**

In the taxation of rental income, the net amount of the income obtained is determined in two different ways as follows:

- Lump sum expenses method (for other than those who lease rights)
- Actual expenses method

The selection of the lump sum or actual expenses method should cover all immovable property, which means that it is not possible to choose the actual expenses method for some part and the lump sum expenses method for the remaining part.

### **6.1 Deduction of expenses in the lump sum expenses method**

Taxpayers who have opted for the lump sum method can, after deducting the amount of exception from their rental income, set off the lump sum expenses at %25 of the remaining amount against actual expenses. It is not possible to opt for lump sum expenses method in the case of leasing rights.

Taxpayers who have chosen the lump sum expenses method cannot choose actual expenses method before **two years** have elapsed.

### **6.2 Deduction of expenses in the actual expenses method**

If the actual expenses method is chosen, following actual expenses can be deducted from the gross amount of rental income:

- Lighting, heating, water and elevator expenses paid by lessor for rented property,
- Management costs relating to the administration of the rented property and measured according to the importance of property,
- Insurance expenses relating to the rented property and rights,
- Interest of debts relating to the rented property and rights,
- 5% of acquisition value of a rented house for 5 years beginning from the date of acquisition (This deduction applies only to rental income of the rented house; non-deductible part is not evaluated as expenditure surplus. This deduction is not valid for houses acquired before 2009.),

**Deduction of %5 of the acquisition value applies only to one real property rented as house. For real properties rented as workplace, such expense deduction will not be applicable.**

- Taxes, fees, charges and special assessments paid for the rented property and rights, as well as charges paid by lessor to municipalities for participation to spending,
- Depreciations,
- Repair and maintenance expenses incurred by lessor for the rented property,
- Rents and other actual expenses paid by sub-lessors,
- Rent of the house accommodated by the lessors who rent their own property, (non-deductible part is not evaluated as expenditure surplus )

It is not allowed for taxpayers not residing in Turkey,( including Turkish nationals who reside abroad more than a continuous period of six months with residence or work permit) to deduct the amount of rents they pay in a foreign country from their rental income obtained in Turkey) ,

- Cost of damages and compensations paid for rented property and rights based on a contract, act or court decree.

**Non-residents who have opted for the actual expenditure method should keep the documents showing the expenses incurred for a period of five years and submit to the tax office when required.**

#### **6.2.1. Calculation of deductible expenses in case of exception in actual expenses method**

Where a taxpayer chooses the actual expenses method and benefits from the exception applied to rental income from house, the amount of actual expenses corresponding to exception is not deductible from gross revenue.

$$\text{Deductible expenses} = \frac{\text{Total Expenses} \times \text{Taxable Revenue}^*}{\text{Total Revenue}}$$

$$* \text{Taxable Revenue} = \text{Total Revenue} - \text{Exception for Rental Income from House}$$

**Example:** Mr. C rented her house in 2013 and obtained 12.500 TL of rental income. Mr. C, who has no any other income, incurred 5.000 TL of expenditure for her property. He chose the actual expenses method.

The amount that Mr. C can deduct as actual expenses will be the amount that corresponds to the taxable revenue of the total expense for 5.000 TL.

$$\text{Taxable Revenue} = 12.500 - 3.200 = 9.300 \text{ TL}$$

$$\text{Deductible expense} = (5.000 \times 9.300) / 12.500 = 3.720 \text{ TL}$$

## **7. IN THE EVENT OF LOSS**

Any decrease occurring in the capital itself which is subject to income from immovable property is not considered as loss and is not accepted as expense when determining the gross income amount.

Losses arising from the expenditure surplus in the calculation of the net amount of income from immovable property can be deducted from income to be declared in the following years not for more than five years. There are two exceptions to this rule:

- In the event of any loss resulting from deducting the amount of the rent of the house or lodging paid by the lessor from the rental income of their house, such loss cannot be subject to deduction from the income from immovable property to be obtained in the following years.
- Non deductible part of the amount corresponding to %5 of the acquisition value which has been subject to deduction of income from the immovable rented as house is not considered as an expenditure surplus.

## **8. TAX WITHHOLDING IN RENTAL PAYMENTS**

Persons and entities which are stated in Article 94 of Income Tax Law will withhold income tax on the gross amount of payments made for rent.

Those people and enterprises that are tenants have to withhold income tax from the **gross amount** of their rental payments at the rate of **20%**.

This tax withholding will also be made from the rent paid in advance for the upcoming months and years. For example; when the rent is paid in advance for 2 or 3 years for a workplace, the total rent paid will be subject to tax withholding.

**If tenants are taxpayers that their commercial earnings determined according to simple method, they do not withhold in rental payments.**

In case that the immovable property leased out is used both as house and workplace; the **total rent** is subject to withholding as long as the place as a whole or a part of it is used as workplace.

## **9. DECLARATION OF RENTAL INCOME**

Non-resident taxpayers do not submit annual declarations in Turkey for the income from immovable property which are subject to withholding tax. In case that they submit annual declaration for other income, they do not include the income subject to withholding tax in their declarations.

Taxpayers who have only rental income **from immovable property in Turkey** will submit annual tax declaration, if;

- their rental income from house exceeds tax exception amount (**3.200 TL for the year 2013**); and,
- their rental income which are not subject to withholding or tax exception in a calendar year exceeds the limit to submit a declaration (**1.390 TL for the year 2013**).

As to the rental income not subject to withholding and exception (Like the rental income derived from workplace leased out to a taxpayer in a simple method), the sum of

1.390 TL for submitting declaration is not an exception but a limit to submit declaration. The total income from workplace will be declared in the event of exceeding this amount.

Every member of a family has to submit a declaration on their own behalf for the rental income they obtained from the property and rights belonging to them.

On the occasion that minor and restricted persons are taxpayers; the annual declaration to be submitted on behalf of them is signed by their parents, guardians or curators.

In case of having property and rights with shares, every partner should declare the rental income corresponding to his/her own shares.

## **10. DEDUCTIONS TO BE MADE FROM INCOME INCLUDED IN THE ANNUAL TAX DECLARATION**

Deductions with respect to income to be declared by an annual tax declaration are specified in Income Tax Law and in other relevant laws. In order to make the following deductions from the income to be declared in income tax declaration while income tax base is being determined, there must be an income to be declared in an annual tax return and deductions to be made should satisfy the requirements specified in the relevant legislation.

Accordingly, following items may be subject to deduction:

1. Premiums paid to life/ individual insurance companies,
2. Education and health care expenses,
3. Donations and aids,
4. Sponsorship expenses,
5. Donations in kind and in cash in relation to natural disasters,
6. Donations and aids made in cash to Turkish Association of Crescent and Turkish Green Crescent Society proved with a receipt,
7. Donations, aids and sponsorship expenditures for agency founded with the Law on The Eskişehir 2013 The Culture Capital of Turkic World, EXPO 2016 Antalya Agency,
8. Donations and aids which are completely deductible in accordance with other laws.

## **11. TIME AND PLACE OF RENTAL INCOME DECLARATION**

Taxpayers should submit declarations concerning their income from immovable properties for the period 01.01.2013- 31.12.2013 **from 01.03.2014 to 25.03.2014** until the end of the working hour.

If the due date of submitting declaration coincides with a public holiday, declarations can be submitted the following workday, until the end of the working hour.

If non-resident taxpayers have tax representatives in Turkey, they will submit their declarations to the authorized Tax Office of their tax representatives' location and if they do not have tax representatives in Turkey, they will submit their declarations to the authorized Tax Office of immovable property location.

If the declaration is sent through normal postal service or private postal distribution companies, it will be deemed to have been submitted on the date it arrives at tax office, and if it is sent as registered and reply paid letter, it will be deemed to have been submitted on the date of issue.

**If the declaration is sent through normal postal service or private postal distribution companies, it will be deemed to have been submitted on the date it arrives at tax office, and if it is sent as registered and reply paid letter, it will be deemed to have been submitted on the date of issue.**

Taxpayers who have only rental income from immovable property, can send their annual tax return electronically by their own with user code and password receiving from their tax offices or through authorized tax professions.

## **12. PRE-FILLED RENTAL INCOME TAX RETURN SYSTEM**

Pre-filled rental income tax return system is a service, in which Turkish Revenue Administration prepare pre-filled tax returns by using data held from public institutions such as MERNIS, banks, postal administrations, insurance companies and land registry and submit online to the approval of taxpayers.

Taxpayers who have only rental income can use this system. They can access to the system with,

- Internet Tax Office Code ( if they do not have, they can get freely from any tax offices by applying with their identity card),
- By answering personal security questions.

Persons who have not income tax liability also can use this system. In case there is not any liability record at tax offices, it will be registered automatically when their rental income tax return is approved electronically. Then payments for this rental income tax return can be made through contracted banks or all tax offices. Also, it can be paid on online banking.

There is no obligation for using system. Returns can be also given by hand to tax offices or through electronically (via E-return preparation programme).

Detailed information about Pre-filled rental income tax return system can be obtained from [www.gib.gov.tr](http://www.gib.gov.tr).

## **13. NONFILING OR UNDERSTATED FILING DESPITE OBTAINING RENTAL INCOME**

- In the case of non-filing or understated filing of rental income obtained from houses, it will not be possible to benefit from the exception amount of 3.200TL for the year 2013. However, those who submit declarations -before any determination is made by the administration- on their own accord for their rental income which they did not declare or include in their declarations on time, will benefit from the related exception.
- *In the case of non-filing or understated filing during the declaration period by taxpayer of rental income related to former calendar years, it is possible to declare*

*the rental income according to the “penitence and rectification” clauses of Tax Procedure Law.*

*In the case of informing tax office on their own accord with a petition and submitting the declaration within 15 days from this date, correcting wrong or understated tax returns and paying overdue taxes within the same period, these taxpayers can also benefit from the exception for their rental income from house and they will not be subject to penalty for the loss of tax in accordance with Tax Procedure Law. Penitence interest and first degree irregularity as one fold is applied for these taxpayers.*

- If the rental income is not declared, the taxpayer is subject to **penalty first degree irregularity as two fold** and the income is appraised by assessment committee. The income tax and penalty is calculated on the appraised value. And the high amount of them will be applied by making comparison between tax loss penalty and irregularity as two fold. Also **overdue interest** is required for each delayed month.
- The accrued tax, penalty and overdue interest are to be paid **in a month** after the due date of assessment. Otherwise, **late payment charge** is calculated by tax office for each month (late payment of charge for fraction of months is calculated for each day of month) and collected by enforcement.

#### **14. TAX SCHEDULE FOR THE YEAR 2013**

<b>Up to the amount of 10.700 TL</b>	<b>%15</b>
<b>1.605 TL for 10.700 TL of 26.000 TL, over</b>	<b>%20</b>
<b>4.665 TL for 26.00 TL of 60.000 TL, over (4.665 TL for 26.000 TL of 94.000 TL on wages)</b>	<b>%27</b>
<b>13.845 TL for 60.000 TL of amount exceeding 60.000 TL (23.025 TL for 94.000 TL of amount exceeding 94.000 on wages), over</b>	<b>%35</b>

**Note:** In the case of declaring wage and rental income together and exceeding tax amount to be declared 60.000 TL (for the year 2013), income tax will be calculated according to explanations made in the Income Tax Circular no:75 dated 25.02.2011.

#### **15. TAX PAYMENT**

Income tax calculated on the declaration is paid **in two equal installments** in **March** and in **July**.

The calculated tax can be paid to;

- tax offices that the taxpayer is associated with,
- other tax offices with condition to declaring their account of tax office associated with,
- authorized banks' branches.

**You can calculate income tax you are supposed to pay by using  
“Calculations” section from our webpage [www.gib.gov.tr](http://www.gib.gov.tr) .**

**([www.gib.gov.tr](http://www.gib.gov.tr) —Homepage—Internet Tax Office— Calculations— Rental Income)**

## **16. RENTAL INCOME FROM IMMOVABLE PROPERTY IN TERMS OF DOUBLE TAXATION AGREEMENTS**

Rental income from immovable property is mentioned in Article 6, titled “Income from Immovable Property” and Article 12, titled “Royalties” of Double Taxation Agreements that Turkey concluded.

Article 6 of the Agreements mainly deals with income from leasing of immovable properties and related rights, and provides that the State where the immovable property is situated has the right of taxation. Accordingly, taxation of the rental income from the immovable property situated in Turkey of individuals resident in the other State will be in accordance with the procedure and principles of domestic legislation of Turkey and in these Double Taxation Agreements there is not any provision limiting the domestic legislation.

Turkey has a limited right of taxation from the rental income of non-resident taxpayers obtained by leasing royalties defined in Article 12 of Double Taxation Agreements.

Rate of withholding to be made on the mentioned income may vary from state to state in the Agreements. If the rate specified in Article 12 of the Agreement and the rate defined in our domestic legislation differs, the calculation should be made according to the lower rate.

However, in order to benefit from Article 12 of Double Taxation Agreement, residents (full taxpayers) of other country who derive income or profit from Turkey, should submit certificate of residence received from competent authorities of their own resident country along with the translated copy of it into Turkish language which will be approved by a notary public or Turkish Consulates in that country, to the related tax office or the tax withholders in case withholding tax is required. The tax withholders are required to keep the certificates of residence to submit to the competent authorities on demand. In case of failure of submitting the certificate of residence, domestic laws shall be applied instead of the Articles of the Agreement.

## **17. EXAMPLES RELATED TO RENTAL INCOME DECLARATION**

### **Example 1:**

“Mr. D”, living in Italy, leased out his flat in Ankara and obtained 7.500 EUR as rental income in 2013.

He preferred the lump-sum expenses method and he has no other income to declare in Turkey. On the date of collection, buying rate for Euro announced by The Central Bank of Republic of Turkey is assumed as 2,80 TL.

Income tax for rental income of taxpayer is calculated as follows:

Total Gross Revenue (7.500 EUR x 2,80TL)	21.000 TL
Amount of exception	3.200 TL
Balance (21.000-3.200)	17.800 TL
25% Lump-sum Expenses (17.800 x %25)	4.450 TL
Taxable Income (17.800 – 4.450)	13.350 TL
Amount of income tax calculated	2.135 TL
Stamp duty	41,20 TL

**Example 2:**

“Mrs. E”, living in Germany, leased out her flat in Bodrum and obtained 7.000 Dollars as rental income in 2013.

She preferred the actual expenses method and she has no other income to declare in Turkey. Her total actual expense for this house is 500 Dollars.

On the date of collection and expenditure , buying rate for Dollar announced by The Central Bank of Republic of Turkey is assumed as 2,00 TL.

$$\text{Total Revenue} = 7.000 \$ \times 2,00 \text{ TL}$$

$$= 14.000 \text{ TL}$$

$$\text{Total Expenses} = 500 \$ \times 2,00 \text{ TL}$$

$$= 1.000 \text{ TL}$$

(Taxpayers who have chosen the actual expenses method will not deduct the expense corresponding to the amount subject to exception from their income, but only the expense corresponding to the amount subject to taxation.)

$$\text{Deductible expenses} = \frac{\text{Total expenses} \times \text{Taxable Revenue}^*}{\text{Total Revenue}}$$

$$\begin{aligned} \text{*Taxable Revenue} &= \text{Total Revenue} - \text{Amount of exception for rental income from house} \\ &= 14.000 - 3.200 \\ &= 10.800 \text{ TL} \end{aligned}$$

$$\left. \begin{array}{l} \text{Amount of exception corresponding to taxable revenue} \\ \text{(Amount of deductible actual expenses)} \end{array} \right\} \frac{1.000 \times 10.800}{14.000} = 771 \text{ TL}$$

Income tax for rental income of taxpayer is calculated as follows:

Total Gross Revenue (7.000x2,00)	14.000 TL
Amount of exception	3.200 TL
Balance (14.000-3.200)	10.800 TL



Amount of deductible actual expenses	771 TL
Taxable Income (10.800-771)	10.029 TL
Amount of income tax calculated	1.504,35 TL
Stamp duty	41,20 TL

**Example 3:**

“Mr. F.” who does not reside in Turkey and lives in England, leased out his office in Antalya and obtained 4.000 EUR as rental income 2013. It is withheld 2.240 TL from rental income.

On the date of collection and expenditure , buying rate for Euro announced by The Central Bank of Republic of Turkey is assumed as 2,80 TL.

$$\begin{aligned} \text{Total Revenue} &= 4.000 \text{ €} \times 2,80 \text{ TL} \\ &= 11.200 \text{ TL} \end{aligned}$$

$$\begin{aligned} \text{Amount withheld} &= 11.200 \times \% 20 \\ &= 2.240 \text{ TL} \end{aligned}$$

Since the total rental income is subject to withholding in Turkey, the annual tax return will not be declared regardless the amount.

**Example 4:**

Mrs. L, living in Italy, leased out her flat in Kayseri and obtained 3.500 EUR as rental income in 2013. Also she leased out her office in Kayseri and obtained 5.500 EUR as rental income in 2013. It is withheld 3.080 TL from rental income of workplace.

$$\begin{aligned} \text{Total Revenue} &= 5.500 \text{ €} \times 2,80 \text{ TL} \\ &= 15.400 \text{ TL} \end{aligned}$$

$$\begin{aligned} \text{Amount withheld} &= 15.400 \times \% 20 \\ &= 3.080 \text{ TL} \end{aligned}$$

She preferred the lump-sum expenses method and she has no other income to declare in Turkey. On the date of collection and expenditure , buying rate for Euro announced by The Central Bank of Republic of Turkey is assumed as 2,80 TL. Since the total rental income is subject to withholding in Turkey, the annual tax return will not be declared regardless the amount.

Income tax for rental income from her flat is calculated as follows:

Total Gross Revenue (3.500 EUR x 2,80TL)	9.800 TL
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Amount of exception	3.200 TL
Balance (9.800-3.200)	6.600 TL
25% Lump-sum Expenses (6.600 x %25)	1.650 TL
Taxable Income (6.600 – 1.650)	4.950 TL
Amount of income tax calculated	742,50 TL
Stamp duty	41,20 TL

**Example 5:**

Mr. M, living in France, leased out his office in Uşak in 2013 to a taxpayer whose income subject to simple method and obtained 2.600 TL as rental income annually.

As to the rental income not subject to withholding and exception (Like the rental income derived from workplace leased out to a taxpayer in a simple method), the limit to submit declaration is 1.390 TL for the year 2013, 2.600 TL rental income from workplace will be declared.

He preferred the lump-sum expenses method and income tax for rental income is calculated as follows:

Rental Income from Workplace	2.600 TL
25% Lump-sum Expenses (2.600 x %25)	650 TL
Taxable Income (2.600 – 650)	1.950 TL
Amount of income tax calculated	292,50 TL
Stamp duty	41,20 TL

**18. POINTS TO BE TAKEN INTO ACCOUNT WHEN FILLING OUT ANNUAL INCOME TAX DECLARATION**

Tax declaration and the additional sheet to be used if the number of immovable properties is more than five will be filled out as follows:

- Tax declaration will be filled out in one copy,
- Both tax declaration and additional sheet will be filled out in blue or black with capital letters,
- The writing should be eligible and due care should be given not to make deletions or scrapings,
- No marks or signs will be placed between the numbers,
- Numerical expressions will not be written down in roman numerals.
- Alphabetical characters will be aligned left, and numerical characters will be aligned right.
- Taxpayers who declare their returns electronically can use the guide on <https://ebeyanname.gib.gov.tr>.

**CONTRACTED BANKS RECEIVING TAX PAYMENTS**

AKBANK T.A.Ş.
AKTİF YATIRIM BANKASI A.Ş.
ALBARAKA TÜRK KATILIM BANKASI A.Ş.
ALTERNATİFBANK A.Ş.
ANADOLUBANK A.Ş.
ASYA KATILIM BANKASI A.Ş.
CITIBANK A.Ş.
DENİZBANK A.Ş.
BURGAN BANK A.Ş.
FİBABANKA A.Ş.
FİNANSBANK A.Ş.
HSBC BANK A.Ş.
ING BANK A.Ş.
KUVEYT TÜRK KATILIM BANKASI A.Ş.
ODEABANK A.Ş.
ŞEKERBANK T.A.Ş.
T.C. ZİRAAT BANKASI A.Ş.
TEKSTİLBANK A.Ş.
TURKISHBANK A.Ş.
TURKLAND BANK A.Ş.
TÜRK EKONOMİ BANKASI A.Ş.
TÜRKİYE FİNANS KATILIM BANKASI A.Ş.
TÜRKİYE GARANTİ BANKASI A.Ş.
TÜRKİYE HALK BANKASI A.Ş.
TÜRKİYE İŞ BANKASI A.Ş.
POSTA VE TELGRAF TEŞKİLATI ANONİM ŞİRKETİ
TÜRKİYE VAKIFLAR BANKASI T.A.O.
YAPI VE KREDİ BANKASI A.Ş.