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## TURKEY INTRODUCES ACCOMMODATION TAX

Turkey has passed a bill to impose tax on accommodation services (“**Accommodation Tax**”) provided by accommodation facilities such as hotels, motels, apart hotels, resorts, hostels, chalets and camping areas. The tax will be effective as of 1 April 2020. The accommodation service providers will have to add 2% (1% until 31 December 2020) tax on accommodation services and all ancillary services (such as restaurant, café, entertainment, fitness, pool and spa services) they charge to their guests. The Accommodation Tax will apply for both local and foreign guests.

*We would be delighted to prepare a case and company specific assessment, compliance and action plan if you think you will be affected by the new Accommodation Tax. Please contact us at [info@consulturk.com.tr](mailto:info@consulturk.com.tr).*

### Which services are subject to Accommodation Tax?

The services below provided by accommodation facilities are subject to Accommodation Tax:

- **accommodation services** provided by accommodation facilities such as hotels, motels, apart hotels, resorts, hostels, chalets, camping areas, wellness and entertainment centers, and
- **all ancillary services** provided to guests within the facility together with accommodation services such as restaurant, café, entertainment, fitness, pool and spa services.
- ❖ **EXCEPTION:** ancillary services provided within accommodation facilities to customers who do not benefit from accommodation services are not subject to Accommodation Tax.

*For example, a restaurant within a hotel will not charge Accommodation Tax to a customer who does not stay at the hotel.*

### Which services are excluded from Accommodation Tax?

The services below are excluded from Accommodation Tax:

- student dormitories and hostels,
- services provided to diplomatic missions, consulates and their members who benefit from diplomatic rights provided that it is reciprocal by the foreign state; and services provided to international institutions and their members who benefit from tax exemption according to international treaties.

### Does the Accommodation Tax differ for local and foreign guest?

No, the Accommodation Tax applies for **both local and foreign guests**.

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## What is the rate and tax base of the Accommodation Tax?

The Accommodation Tax rate is **2%**. It is set at 1% until 31 December 2020.

The tax base is the **service fee the accommodation facilities charge to their guests in return for accommodation and ancillary services before adding value added tax.**

The Accommodation Tax arises at the time the service is rendered.

The Accommodation Tax is listed separately in the invoices issued to guests.

It is not taken into account in the value added tax base.

## Who will pay the Accommodation Tax?

The Accommodation Tax will be charged to guests staying at the accommodation facilities and benefiting from the ancillary services. The accommodation facilities will declare and pay the Accommodation Tax to their tax office.

## When will the Accommodation Tax be declared and paid?

The Accommodation Tax is declared and paid **monthly**.

The accommodation facilities will submit their Accommodation Tax statements for the relevant month and pay the accrued Accommodation Tax **until the 26<sup>th</sup> of the following month**.

*Please contact us at [info@consulturk.com.tr](mailto:info@consulturk.com.tr) for a case and company specific assessment, compliance and action plan on the new accommodation tax.*

This guide has been prepared for general information purposes. It is not meant to serve as legal advice in any manner. It is only a brief outlook of the topic. It is not and does not aim to be comprehensive. It only provides information on certain significant points of the topic and should not be used without a specific legal advice for the relevant case.

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