

L- TAX INCENTIVES FOR CULTURAL INVESTMENTS AND ENTERPRISES

The purpose of the law numbered 5225 is to make individual and society requirements are met; cultural assets and abstract cultural heritage are preserved and to make them a part of sustainable culture , to make the environment of cultural communication and interaction are activated, cultural and artistic values are produced, the opportunities to reach these values are created and developed by the society; the country's cultural assets are kept alive and utilized as contribution to the economy, the cultural investment and enterprises to build and running of cultural centers are promoted.

Incentives that will be applied for cultural investments and enterprises in the scope of this law are as follows:

1. Income Tax Withholding Deduction:

Corporation Taxpayer Investor or entrepreneur who has license in scope of this law can deduct %50 of the income tax during the investment phase not longer than 3 years and %25 of the income tax during the business phase not longer than 7 years from the tax accrued in their withholding tax return based on their monthly insurance payroll given to the administration only for the worker wages that will be worked in the licensed investment or enterprise. **(Law numbered 5225, a.5/b)**

2. Allocation of Immovable Property:

Ministry of Culture and Tourism has the authority to allocate immovable properties for the cultural investment and entrepreneurs within the scope of this law. **(Law numbered 5225,a./5a)**

3. Deduction in Employer Contributions in Insurance Premium:

Corporation Taxpayer Investor or entrepreneur who has license in scope of this law can deduct %50 of the employer contribution during the investment phase not longer than 3 years and %25 of the employer contribution during the business phase not longer than 7 years will be paid by treasury based on their monthly insurance payroll given to the administration only for the worker wages that will be worked in the licensed investment or enterprise. In accordance with article 72 and 73 of Social Insurance Law **(Law numbered 5225, a.5/c)**

4. Water Cost Discount and Energy Support:

Cultural investment and enterprises pays the water prices at the lowest tariff of the region. %20 of the electricity and natural gas costs of this investment or enterprise are paid by the Treasury for 5 years. **(Law numbered 5225, a.5/d)**

5. Ability to Employ Foreign Personnel or Artists:

Foreign specialist personnel or artists can be employed in licensed investment or enterprises with the opinion of Ministry of Culture and Tourism not more than %10 of the personnel and with the permission of the Ministry of Labor and Social

Security. **(Law numbered 5225, a.5/e)**

6. Ability to Function in Weekends or Official Holidays:

Licensed enterprises and other units in scope of license can continue their activities at weekends or official holidays in work hours identified as in license.

Assignees of a licensed investment or enterprise by the permission of the ministry are also benefit from the incentive and deduction provisions of this law **(Law numbered 5225, a.5/f)**

7. Exemption in Real Estate Tax:

The buildings allocated for the purposes stated in The Encouragement of Tourism Industry Law which belongs to income and corporate tax payers who has the certificate of tourism enterprise within the scope of Encouragement of Tourism Industry Law, are exempt from tax for five years beginning after the following year of construction of a building or the date of certification as tourism enterprise in case a current building is allocated for that purpose. **(Real Estate Tax Law a.5/b)**

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