

Fuel Taxation: A Comparative Examination of Turkey, EU and OECD Countries

**Cevat Tosun^{1*}, Onur Uçar², Necmiddin Bağdadioglu³, Ahmet
Burçin Yereli⁴**

^{1,2,3,4}Hacettepe University, Turkey

Abstract

This study aims to compare the ways in which the fuel is taxed in Turkey, EU and OECD countries. Approximately 85% of the total centralized government budget revenue consists of taxes in Turkey. The share of indirect taxes in tax revenues is around 70% and the Special Consumption Tax as a kind of indirect tax corresponds to approximately 65% of the total indirect tax revenues. The taxes on fuel constitute the largest part with 50% of the Special Consumption Tax. The fuel consumption in Turkey is important since it not only creates a crucial revenue for the centralized government as Value Added Tax known as general consumption tax collected through fuel consumption, but also causes a heavy tax burden on Turkish tax payers. As a candidate country Turkey is expected to align her tax system with the EU's aquis communitaire. Comparison with the OECD countries gives important clues about Turkey's position about the fuel taxation in general. In the lights of findings, the study provides applicable policy suggestions for possible revisions in fuel taxation in Turkey.

Keywords: Turkey, EU, OECD, Fuel Taxation

*All correspondence related to this article should be directed to Cevat Tosun from Hacettepe University, Turkey
Email: cevat@hacettepe.edu.tr