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**CONNECTION BETWEEN TAX POLICY  
AND COUNTRY'S DEVELOPMENT PLAN:  
THE CASE OF TURKEY**

A Strategic Development plan play a key role in government regulation, as it provides a roadmap for policymakers and decision-makers to follow. It is the document where the main course of a country's development is formulated. It provides a framework for coordinating public and private sector activities, directing resources to priority areas, and aligning government policies with the needs of the population.

In many countries, development plans are closely linked to government regulation and are used to guide the formulation of laws, regulations, and policies [1]. A development plan is an important tool used by governments to set goals and priorities for economic, social, and environmental development over a specific period of time. The plan outlines the strategies, policies, and programs that the government will use to achieve its goals and objectives.

Development plans can also help to ensure that government policies are aligned with long-term development goals. By setting out a clear vision for the future and identifying key objectives and targets, development plans can guide policy decisions and help to ensure that government actions are consistent with broader development goals.

The main goals of a strategic development plan depend on the country that develops it and the specific issues and challenges it seeks to address. But this goals that are differ from country to country has a lot of common features:

1. Economic growth and development.
2. Social welfare and equality.
3. Environmental sustainability.
4. Regional development.
5. Competitiveness and innovation.
6. Effective governance.

A tax incentive policy is a type of government policy that provides tax breaks or other financial benefits to individuals, businesses, or organizations in order to encourage certain types of behavior or investment. Tax incentives are designed to promote economic growth and development by encouraging investment, creating jobs, and stimulating economic activity.

Tax incentives can take many forms, including tax credits, deductions, exemptions, and reduced tax rates. For example, a country may offer a tax credit to businesses that invest in certain industries or geographic areas, or provide a tax deduction to individuals who make charitable donations. The aim of tax incentives is to reduce the tax burden on certain types of activities or investments in order to encourage them and to promote economic development in specific areas or industries.

Tax incentives are often used by governments to promote specific policy objectives, such as the development of renewable energy, the expansion of exports, or the creation of new jobs [2]. However, tax incentives can also have unintended consequences and can be expensive to administer.

The specific features of the Strategic Development Plan in Turkey vary depending on the plan's period and priorities. The current plan in Turkey is the 11th Development Plan, which covers the period of 2019-2023 [3]. Here are some of the key features of this plan: focus on sustainable development; regional development; human capital development; digital transformation; private sector development; effective governance

Tax incentive policies can play a significant role in a country's economic development strategy by encouraging investment, stimulating economic growth, and creating jobs. However, the effectiveness of tax incentives as a tool for economic development depends on a number of factors, including the design of the policy, the economic conditions in the country, and the specific goals of the policy. One way that tax incentives can support a country's economic development strategy is by attracting foreign direct investment (FDI). Countries often use tax incentives to lure multinational corporations to invest in their economies, with the aim of creating jobs, increasing exports, and developing new industries. For example, a country may offer tax breaks or other financial incentives to companies that invest in certain sectors, such as renewable energy or advanced manufacturing. Tax incentives can also be used to encourage entrepreneurship and innovation. Start-ups and small businesses are often seen as key drivers of economic growth, and tax policies that make it easier for entrepreneurs to start and grow their businesses can be effective in promoting economic development.

Turkish government is using tax incentives as part of its strategy for realizing the 11th Development Plan. The plan includes a range of tax incentives designed to promote investment in key sectors of the economy and support private sector development. Here are some examples of tax incentives being used in Turkey to implement the 11th Development Plan:

1. Corporate tax breaks for R&D: The government offers corporate tax breaks to companies that invest in research and development (R&D) activities. The tax break covers up to 100% of R&D expenses incurred by companies in the form of tax credits, and the aim is to promote innovation and competitiveness in the economy.

2. Reduced corporate tax rate for SMEs: The government has reduced the corporate tax rate for small and medium-sized enterprises (SMEs) to 20% from the standard rate of 22%. This is intended to support SMEs and encourage their growth, which is a priority in the 11th Development Plan.

3. Tax incentives for renewable energy: The government offers a range of tax incentives for companies that invest in renewable energy projects, including tax credits and exemptions from customs duties. This is intended to promote the development of renewable energy sources and reduce Turkey's dependence on fossil fuels.

4. Tax incentives for strategic investments: The government has introduced a range of tax incentives for strategic investments in priority sectors of the economy, such as healthcare, tourism, and technology. These incentives include exemptions from customs duties and reductions in corporate tax rates.

Tax incentives are being used as part of a broader policy mix in Turkey to implement the 11th Development Plan. By promoting investment in priority sectors and supporting private sector development, tax incentives can help to drive economic growth and development in line with the goals of the plan.

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