

A Large Budget Deficit and Heavy Interest Expenditures in the 2026 Budget

News:

The Budget Law Proposal prepared for the year 2026 has been approved by the Grand National Assembly of Türkiye.

Comment:

According to the 2026 budget approved by the Grand National Assembly of Türkiye, total budget expenditures have been set at 18.929 trillion Turkish lira (440 billion USD). In contrast, budget revenues are estimated at 16.2 trillion Turkish lira (377 billion USD). Within this framework, the budget deficit for 2026 is expected to be 2.73 trillion lira (63 billion USD).

Among the main sources of budget revenues for 2026, tax revenues rank first:

- Income Tax: 3.5 trillion lira (81 billion USD)
- Corporate Tax: 1.6 trillion lira (37 billion USD)
- Special Consumption Tax: 2.5 trillion lira (58 billion USD)
- Value Added Tax (VAT): 4 trillion lira (93 billion USD)
- Other Tax Revenues: 2.1 trillion lira (49 billion USD)
- Non-Tax Revenues: 2.4 trillion lira (56 billion USD)

Budget expenditures for 2026 are projected as follows:

- Personnel expenses: 5.5 trillion lira (127 billion USD)
- Goods and services procurement: 1.25 trillion lira (29 billion USD)
- Current transfers: 6.8 trillion lira (158 billion USD)
- Capital expenditures: 1.3 trillion lira (30 billion USD)
- Capital transfers: 525 billion lira (12 billion USD)
- Lending expenditures: 397 billion lira (9 billion USD)
- Contingency appropriations: 375 billion lira (8.7 billion USD)
- Interest expenditures: 2.74 trillion lira (64 billion USD)

Within budget revenues, the share of direct taxes (Income and Corporate Taxes) stands at 38.3%, while indirect taxes (VAT, Special Consumption Tax, Special Communication Tax, Stamp Duty, Customs Duties, Banking and Insurance Transaction Taxes, and Fees) account for 61.7%.

Indirect taxes are taxes spread across the base of society and collected from the entire population. These taxes are paid indiscriminately by newborn babies, the elderly, women, men, children, the disabled, students, retirees, civil servants, workers,

tradespeople, farmers, widows, orphans, the destitute, the poor, and even those with no income at all—in short, all 86 million people living in Türkiye, without exception.

This is an obvious injustice!

Such taxes, which the entire population is forced to pay, are among the clearest proofs that the political and economic system based on capitalism is a cruel system of exploitation that does not prioritize human beings.

Moreover, the allocation of 14.5% of the budget to interest expenditures shows how the state transfers the taxes it collects from the public to capital owners from whom it borrows, in the form of interest.

However, the Lord of the Worlds has forbidden both interest and taxes imposed broadly upon the entire population.

The only correct option capable of saving humanity from this brutal capitalist exploitation cycle—which condemns the vast majority of people to hunger, poverty, and misery while enriching a small minority that controls wealth, resources, and income, and which creates severe injustice in income distribution—is the Islamic system of life.

﴿فَذَلِّكُمْ اللَّهُ رَبُّكُمْ الْحَقَّ فَمَاذَا بَعْدَ الْحَقِّ إِلَّا الضَّلَالُ فَأَنَّى تُصْرِفُونَ﴾

“That is Allah, your true Lord. What is there beyond the truth except misguidance? So how are you turned away?” [Surah Yunus: 32]

**Written for the Central Media Office of Hizb ut Tahrir by
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