

2022

1 General Tax Information

An overview of tax relevant information
in Germany

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Tax	
%	Tax rate
▲	Tax base
!	Important information

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Tax Authorities	
Federal	Federal Ministry of Finance
Federal States	16 Ministries of Finance of the Federal States
Federal	Federal Central Tax Office
Regional	8 Regional tax offices
Local	535 Local tax offices

Tax Audit	
National	Local tax offices
International	Federal Central Tax Office in Bonn

Tax Law and Regulations	
European Law	VAT, interest and royalty payments, parent companies directive
Federal Law	Income Tax Act, Corporate Tax Act, VAT Act, Fiscal Code etc.
Ordinances	PE, Business restructurings, Profit allocation
Decrees	On every tax type

Fiscal Judiciary	
Regional	18 Fiscal Courts
Federal	Federal Fiscal Court in Munich
European	European Court of Justice

Tax Liability (subject to)	
Corporations	Corporate tax, solidarity surcharge and trade tax
Individuals	Income tax, solidarity surcharge, trade tax, church tax (if applicable)
Partnerships	Trade tax (depending on the partners)

2 Taxation on Individuals

Income Tax	
%	Amount in €
0	Personal exemption 10,347
14	Entry-level bracket rate
42	End of rate progression 58,596
45	Max. rate for income over 277,826
!	Income tax return deadline: 31 October 2022/end of August 2023 with tax adviser

Income Tax Allowances	
▲ max. €	Examples of allowance
1,200	Employee standard deduction
801	Savers' standard deduction
102	Standard deduction for other income
2,730	Child allowance
1,464	Child care allowance
924	Educational allowance
1,080+324	Tax exemption for pensions

2 Taxation on Individuals

Withholding/Flat Tax	
%	25
▲	Dividends, interest, capital gains and other income

Church Tax	
%	8 or 9
▲	Income and flat tax amount

Solidarity Surcharge	
%	5.5
▲	Income and flat tax amount

Trade Tax	
%	Basic tax rate and multiplier: ca. 16
▲	Trade profit

Social Security Contribution	
%	Insurance
18.6	Statutory pension insurance
2.4	Unemployment insurance
3.05/3.3	Nursing care insurance
15.9	Statutory health insurance
▲	Income ceiling for assessing contributions for max. contributions
!	Employees bear 50 %

3 Taxation on Corporations

Corporate Tax	
%	15
▲	Tax base acc. to Income Tax Act and Corporate Tax Act
!	Extensive documentation requirements, electronic transfer (E-Balance sheet) etc.

Solidarity Surcharge	
%	5.5
▲	Corporate Tax

Trade Tax	
↻	Basic tax rate and multiplier: ca. 16
▲	Trade profit after trade tax additions and deductions
!	Trade tax is not deductible as a business expense

International Taxation	
DTT	Over 90 Double Tax Treaties with Germany
EU Law	Interest and royalty payments/parent-subsidiary/administrative assistance/merger
CFC Rules	For low-taxed passive income under 25 %
TP	Income adjustments if transactions between affiliated parties (at arm's length)

4 Further Taxes

Value Added Tax VAT	
%	(reduced) 7 or (standard) 19
▲	Turnovers
!	Based on European and national law

Real Property Tax	
%	Basic tax rate and multiplier
▲	Assessed value (as of 1964/1935)

Real Estate Transfer Tax	
%	3.5-6.5
▲	Value of the consideration or statutory value

Electricity tax	
€	€ 20.5/MWh
▲	Current consumption

Energy Tax	
€	Tax rates in €
▲	Current consumption (l/kg/MWh)

Inheritance and Gift Tax	
%	Special tax rates 0-50
▲	Value received by the transferee