



Key Data German Taxation 2009

CORPORATION TAX

Tax rate: 15 %

Dividends and yields from the sale of holdings in German or foreign incorporated companies are only subject to 5 % of the tax at recipient business level.

TRADE TAX

Tax rate: 7 % to 17.15 %
(tax rate depends upon the local authority area)

Tax allowance for sole proprietorships and partnerships: EUR 24,500

VALUE-ADDED TAX

General tax rate: 19 %
Reduced tax rate: 7 %

INCOME TAX

Progressive taxation:

- ▶ Single person
 - zvE to EUR 7,834: tax-free
 - from EUR 7,835: 14 %
 - from EUR 52,152: 42 %
 - from EUR 250,000: 45 %

- ▶ Spouses
 - zvE to EUR 15,668: tax-free
 - from EUR 15,669: 14 %
 - from EUR 104,304: 42 %
 - from EUR 500,000: 45 %

(zvE = taxable income)

Income from capital assets, if they exceed the tax allowance of EUR 801 (for single person) or EUR 1,602 (for spouses), are subject to a uniform tax rate of 25 %

Family tax relief, per child:

- ▶ Family benefit = tax refund paid in advance (EUR 1,968 to EUR 2,340) or
- ▶ Tax allowance EUR 6,024

SOLIDARITY SURCHARGE

5.5 % of the taxes from income
(income tax, corporation tax, withholding tax, PAYE tax)

NO WEALTH TAX

INHERITANCE TAX / GIFT TAX

Assets are taxed according to the current market value

Filing status I:

(Heirs: Spouses, children, grandchildren et al.)

1. Personal allowance

- ▶ EUR 500,000 – Spouses
- ▶ EUR 400,000 – Children
- ▶ EUR 200,000 – Grandchildren

2. Graduated tax rate

- ▶ 7 % Minimum tax rate
- ▶ 30 % Maximum tax rate
(taxable transfer more than EUR 26 million)

Heirs who inherit a business are granted generous tax concessions if they continue the inherited business