

GERMANY

As per 1 January 2018

EXPATRIATE AND EMPLOYER TAX COMPLIANCE AND ADVISORY

Tax rate	Progressive tax rates starting from 14 % up to 45 % (plus 5.5 % solidarity surcharge hereof and 8-9 % church tax hereof, if applicable).
Tax period	Calendar year.
Tax residency / Domicile according to domestic law	An individual is subject to unlimited taxation in Germany, if the individual has <ul style="list-style-type: none">• a domicile in Germany or• a place of habitual abode in Germany (> 6 months).
Tax registration	Usually, a tax registration is not required. If the individual has registered the domicile in Germany, the central federal tax office will issue a personal tax id number (Steueridentifikationsnummer). Besides, a local tax number (Steuernummer) for the income tax will be issued by the responsible German tax office (if a German tax return will be filed).
Employment income definition	The individual receives income from employment, if the individual is bound by the instructions of a company and receives a regular salary for the work. The employment income includes the remuneration as well as any benefits in cash or in kind (e. g. company car).
Examples of tax exemption	Gifts for special occasions till Euro 35; non-cash benefits till Euro 44 per month; tax-exempt amount of EUR 110 per company event for a maximum of 2 events per year, certain and substantiated travel expenses, certain and substantiated relocation costs.
Specific expatriate concession	n/a
Income of board members	Depends on the activity: <ul style="list-style-type: none">• Soley/only position is managing director – treated as employee/income from employment• board of supervisors – self-employed person/income from self-employment
Tax returns	Appropriate forms (Einkommensteuererklärungserklärungsformulare) are communicated by the German tax authority and can be downloaded by their website. In principle, the German tax return has to be filed no later than the end of May of the following year (for tax years until 2017) / end of July of the following year (for tax years as of 2018). The filing deadline is 31st of December of the following year (for tax years until 2017) respectively 28th February of the year following the following year (for tax years as of 2018), if prepared by a tax advisor.
Tax payments	German wage tax will be withheld from the income from employment via the monthly German payroll, if there is a domestic employer in Germany. If there is no domestic employer in Germany, quarterly income tax advance payments can be organized with the German tax office. Via the German tax return, the withheld taxes/tax advance payments will be offset against the final income tax and the individual has either to pay additional taxes or receives a tax refund.

TAX TREATIES

Employment income / income from board members	Art. 15/16 Model OECD Model Tax Convention
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INTERNATIONAL SOCIAL SECURITY

Cross border employments	Within the EU/EEA the EU Regulation No. 883/2004 and EU regulation No. 1408 / 71 are applicable. Besides, social security agreements are concluded between Germany and other states.
Exception under Art 16 of Reg. 883/2004 and Art 17 of Reg. 1408/71	Generally applicable. However, the chances of access cannot be estimated in advance.
Social Security Cost as % from gross salary and absolute amounts	Employee ca. 19,38 %; Employer ca. 20,68 %.

IMMIGRATION

Work permit	EU and EEA citizens do not need a work permit to work in Germany. Citizens of another state need to obtain a work permit.
Visa	EU and EEA citizens do not require a visa, else wise examination of the individual case.
Residency permits / registration certificate	For non-EU/EEA citizens, a residence permit might be required. If an individual has a domicile in Germany the individual has to register it at the responsible residents' registration office in Germany.
Driving license	If the individual does not have a domicile in Germany the individual can drive but has to observe conditions and restrictions.
STOCK OPTION PLAN	The tax treatment depends on the conditions of the Stock Option plan. Usually, the taxable event is the date of exercise.

ARTICLE 15 OF THE OECD MODEL

183 days	Any workdays/days of presence spent in Germany during the calendar year/tax year or any 12-month-period.
Notion of employer	The Germany company will be regarded as the 'economic employer', if <ul style="list-style-type: none"> • the individual is integrated in the organization and • the German company bears or should bear the salary costs.
Existence of a permanent establishment	Existence of a permanent establishment in Germany, if <ul style="list-style-type: none"> • there is a fixed place of business or • a representative.



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(http://publicationsdrafts.ro/expat-tax-2014/wp-content/uploads/2018/08/Mackenrodt-Tobias_profile.jpg)