

URL: <http://www.deloitte-tax-news.de/german-tax-legal-news/two-decrees-with-tax-relief-measures-to-boost-liquidity-published.html>

 23.03.2020

German Tax and Legal News

Two decrees with tax relief measures to boost liquidity published

Administrative measures to mitigate consequences of COVID-19

On 19 March 2020, the German Ministry of Finance (MOF) published a decree and the state tax authorities also published a joint decree announcing administrative measures to boost liquidity in response to the coronavirus (COVID-19).

The MOF decree implements measures that were announced on 13 March 2020 as part of a broader package of tax and non-tax measures. The measures that have now been implemented provide taxpayers the option of applying to defer making (corporate) income tax payments without being charged interest and with the suspension of enforcement measures. Taxpayers that are “directly and seriously affected” by COVID-19 may apply for deferral until 31 December 2020. An adjustment of advance payments of income tax under a simplified procedure also will be possible for such taxpayers. The decree provides that approval for these measures will be granted even if affected taxpayers cannot yet quantify the economic damage resulting from COVID-19. Enforcement measures will be suspended until 31 December 2020 for taxpayers that are directly and seriously affected by COVID-19. Taxpayers that are affected only indirectly will not be able to rely on the measures in the decree.

The joint decree issued by the state tax authorities provides similar guidance with regard to the municipal trade tax. Taxpayers directly and seriously affected by COVID-19 may apply for a reduction of advance payments of trade tax until 31 December 2020. Approval for the reduction should be granted even if affected taxpayers cannot yet quantify the economic damage resulting from COVID-19. Applications for the deferral of trade tax payments and trade tax abatements generally must be addressed to the relevant municipalities, and not to the tax authorities. Only in states where the administration and assessment of the municipal trade tax has not been assigned to the municipalities (the states of Berlin, Hamburg, and Bremen) must applications be addressed to the responsible tax office.

The tax authorities of the various states already have started implementing these measures and issuing further guidance and application forms to support affected taxpayers.

In addition to the measures described above, the tax authorities also have implemented similar administrative measures for VAT, customs duties, and energy tax.

Your Contact

Andreas Maywald

Client Service Executive | ICE - German Tax Desk

anmaywald@deloitte.com

Tel.: +1 212 436 7487

rechtsverbindliches Angebot dar und ist auch nicht geeignet, eine persönliche Beratung zu ersetzen. Sollte jemand Entscheidungen jedweder Art auf Inhalte dieser Mandanteninformation oder Teile davon stützen, handelt dieser ausschließlich auf eigenes Risiko. Deloitte GmbH übernimmt keinerlei Garantie oder Gewährleistung noch haftet sie in irgendeiner anderen Weise für den Inhalt dieser Mandanteninformation. Aus diesem Grunde empfehlen wir stets, eine persönliche Beratung einzuholen.

This client information exclusively contains general information not suitable for addressing the particular circumstances of any individual case. Its purpose is not to be used as a basis for commercial decisions or decisions of any other kind. This client information does neither constitute any advice nor any legally binding information or offer and shall not be deemed suitable for substituting personal advice under any circumstances. Should you base decisions of any kind on the contents of this client information or extracts therefrom, you act solely at your own risk. Deloitte GmbH will not assume any guarantee nor warranty and will not be liable in any other form for the content of this client information. Therefore, we always recommend to obtain personal advice.