

TAX RATES | 2018 GERMANY

A	Companies	
1	Resident companies	
	Corporate tax rates	<ul style="list-style-type: none"> 15% (15.83% including the 5.5% surcharge)
	Tax base	<ul style="list-style-type: none"> Worldwide income
	Capital gains	<ul style="list-style-type: none"> Part of business income 95% exemption of capital gains from the sale of shares German Communities (Gemeinde) can levy an enterprise tax (Gewerbsteuer) which can vary per region. The average rate is approximately 14%.
B	Individuals	
1	Resident individuals	
	Income tax rates	<ul style="list-style-type: none"> Progressive Top rate 45% (over EUR 260,533) 5.5% Solidarity surcharge
	Capital gains	<ul style="list-style-type: none"> 25% on the sale of shares and bonds (26.38% including 5.5% surcharge) 40% exempt if derived from business transactions
2	Non-resident individuals	
	Income tax rates	<ul style="list-style-type: none"> Progressive Top rate 45% (over EUR 260,533) 5.5% solidarity surcharge
	Capital gains (sale of shares in resident companies)	<ul style="list-style-type: none"> 40% exempt, if derived from business transactions and the seller has owned a substantial interest of at least 1%
	Final withholding tax rates	
	Employment income	<ul style="list-style-type: none"> General wage withholding applies, 15% of the gross income, for artists and sportsmen
	Dividends	<ul style="list-style-type: none"> 25% (26.38% including the 5.5% surcharge)
	Interest	<ul style="list-style-type: none"> 25% (26.38% including the 5.5% surcharge) on interest from convertible bonds, profit-sharing bonds, participation loans and income from the participation of silent partners in a trade or business
	Royalties	<ul style="list-style-type: none"> 15% (15.38% including the 5.5% surcharge) if registered in Germany or utilized in a PE
	Fees (technical)	<ul style="list-style-type: none"> No
	Fees (directors)	<ul style="list-style-type: none"> No
C	Turnover taxes	
	VAT/GST (standard)	<ul style="list-style-type: none"> 19%
	VAT/GST (reduced)	<ul style="list-style-type: none"> 0%, 7%
	VAT/GST (increased)	<ul style="list-style-type: none"> No