TAXDECLARATIONINGERMANY





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The annual tax declaration is the central basis for determining the tax for businesses and individuals. The obligation to submit an annual tax declaration is legally regulated. Typically, submissions are made electronically, although in some cases, they can also be submitted on paper. There are also specific deadlines for submission. Failing to submit a tax declaration on time or not at all can result in an estimated assessment by the tax office. Other possible consequences include a default penalty and the charge of tax evasion.

Types of tax declarations

There are various types of tax declarations. The most well-known is the **income tax return** (hereinafter referred to as "tax declaration"). It is mandatory for sole proprietors, partnerships, and about every second employee. Many other employees voluntarily file it to reclaim overpaid taxes. Other types of tax declarations include:

- Corporate tax return (for corporations such as GmbHs)
- Trade tax return (for all businesses except freelancers)
- VAT return (for all businesses except so-called small entrepreneurs).

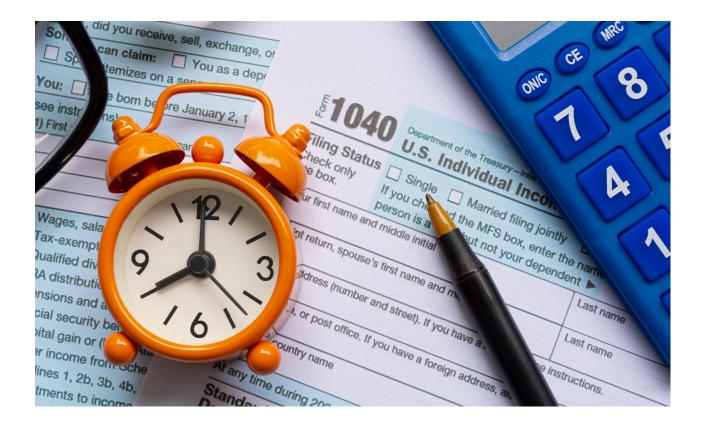
Mandatory tax declaration

The tax office usually expects an income tax return when it fears it will collect too few taxes. In certain cases, the submission of a tax return is mandatory. This is referred to as compulsory taxation. This applies to you as an employee, especially if you meet any of the following criteria:

- You or/and your spouse received wages, and one of you has tax class V or VI.
- You or/and your spouse have entered exemptions in the electronic wage tax deduction features (ELStAM, formerly wage tax card).
- You have additional income besides your salary, such as from unemployment benefits, short-time work benefits, parental leave benefits, capital gains, rental/lease income, etc.
- You do not have a residence in Germany but are treated as fictitiously unlimited tax liable.
- You have income from multiple employers that was not taxed at a flat rate.
- You received a severance package, and your employer applied the advantageous fifth rule when deducting income tax.
- You have a loss carryforward from previous years.
- You have a spouse who is limited tax liable and lives abroad within the EU, and you have included this in your ELStAM data.
- You are an employee, your marriage has been dissolved (or your spouse has passed away), and you have remarried in the same year.

Voluntary tax declaration

Submitting a tax return is voluntary when there is no legal obligation to do so. However, it is often those taxpayers who are not legally required to file who receive a tax refund. Filing a tax return is particularly worthwhile if, for example, you got married during the year or incurred high expenses for workrelated costs, special expenses, or extraordinary burdens. In such cases, a tax refund is almost always possible.



Note: If you choose to file a tax return voluntarily, it is not necessarily required to be submitted to the tax office in the following year. Instead, you have up to four years to do so. For instance, you can submit your tax return for the year 2021 by December 31, 2025.

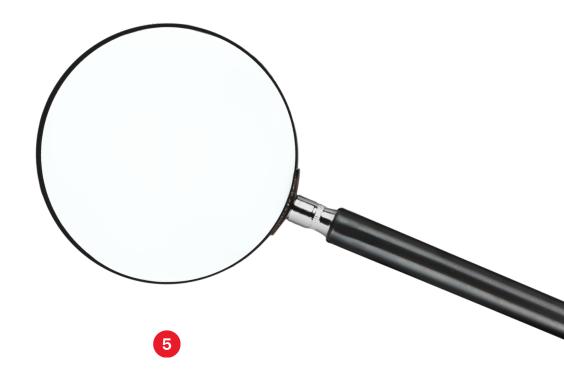
Request from the tax office for a tax declaration

Sie haben noch nie eine Steuererklärung abgegeben und dann kommt plötzlich ein Brief vom Finanzamt, in dem Sie zur Abgabe aufgefordert werden. Dieser Forderung müssen Sie zwingend nachkommen. Durch die Aufforderung entsteht nämlich die Pflicht zur Abgabe einer Steuererklärung, auch wenn Sie sonst keine Steuererklärung hätten abgeben müssen.

Eine solche Aufforderung ergeht zum Beispiel dann, wenn das Finanzamt eine Kontrollmitteilung wegen Einkünften aus Kapitalvermögen oder bei einer Erbschaft oder Schenkung erhält, oder wenn ein Kontenabruf ergeben hat, dass Sozialleistungen geflossen sind, die sich steuerlich auswirken können.

Contents of a tax declaration

In general, tax declarations serve to clearly outline profit and loss or income and expenses. The specific content depends on the type of tax declaration. In addition to personal information, supporting documents for the content must be provided.



Documents for a tax declaration

The most important information and documents you need at the beginning of your tax declaration are:

- Your Tax Identification Number,
- Your bank account details,
- and the printout of your electronic wage tax certificate.

If you are preparing your tax declaration with software, you naturally don't need paper forms

Documents regarding work include

Regarding work-related costs and expenses, you should keep documents for the following aspects and include them in your tax declaration if necessary:

- Commuting expenses between home and workplace: Indication of distance, number of workdays, and possibly a summary of accidentrelated costs,
- Union and professional association contributions,
- Expenses for work-related tools (e.g., specialized literature, laptop bag, tools) and professional clothing (e.g., safety shoes),
- Costs for personal computer usage for professional purposes and documentation of the proportion of professional use,





- Documents and an overview of work-related telephone costs (e.g., detailed billing statements) and internet expenses,
- Overview of continuing education costs and documentation of fees, travel costs, learning materials, etc., with precise information on time, place, and type of training,
- Documentation of job-related expenses such as application costs (copies, photos, application folders, postage, travel expenses, etc.),
- For dual household situations: Documentation of commuting expenses, family visits, costs of household maintenance at the workplace location, etc.,
- Summary of moving costs for job-related relocation,
- Work-related portion of contributions to private accident insurance and legal protection insurance.

Documents regarding insurance

Regarding insurance, you should retain and possibly include the following documents in your tax declaration:

- Contribution statements for private pension insurances,
- Certification of retirement contributions (Riester-Rente),
- Contribution statements for life insurances and risk life insurances,
- Certification from health insurance companies for contributions to health and long-term care insurance (only if not included in the wage tax statement) and certifications for contribution refunds,
- Contribution statements for accident insurances,
- Contribution statements for liability insurances (private liability, car liability).







Additional documents that may be important for tax declarations

- Receipts for tax advisory fees,
- Certificates for state-promoted savings schemes (VL certificate),
- Proofs of unemployment, maternity, or illness-related absences, including decisions and payments from the Federal Employment Agency or health insurance,
- Receipts for medical and hospital expenses,
- Receipts for co-payments for glasses,
- Summary of co-payments for doctor-prescribed medications,
- Invoices and payment confirmations for household-related services and home improvement works – if renting, some of these costs appear in the utility bill and can be included in the tax declaration (e.g., stair cleaning, snow removal).

Forms for a tax declaration

A complete tax declaration includes not only the main form, which contains personal data such as the tax identification number and a valid bank account, but also various attachments. Different tax forms are available for employees, self-employed individuals, and retirees.

Attachments for the tax declaration are individually compiled and included with the tax declaration. Examples of these attachments include:

- Attachment N for employees
- Attachment KAP for income from interest or other capital gains
- Attachment AV for recipients of a Riester pension
- Attachment Vorsorgeaufwand for expenses related to existing insurances
- Attachment VL for state-promoted savings schemes and the employee savings bonus
- Attachment S for income from self-employment



Deadlines for a tax declaration

The deadline for submitting a tax declaration depends on whether you are required to file a tax return, choose to do so voluntarily, or are requested by the tax office to submit one:

Deadline for mandatory tax return: If you are required to file a tax return, it must be submitted by July 31 of the following year to the responsible tax office. Otherwise, you risk penalties in the form of late payment surcharges, which amount to at least \in 25 per delayed month. If the deadline is approaching, you can request an extension.

Deadline for voluntary tax return: If you choose to file a tax return voluntarily, you have up to four years, with the deadline being December 31 of each respective year. The deadline is calculated from the end of the respective tax year.

Deadline after request: If you are requested to file a tax return by the tax office, the deadline is set individually. Failure to meet this deadline may result in late payment surcharges. If you cannot meet the deadline, you should apply for an extension in advance.



Current deadlines for a tax declaration

Hier sehen Sie die Fristen, die für die Abgabe Ihrer Steuererklärung gelten. Diese unterscheiden sich je nachdem, ob die Abgabe einer Steuererklärung für Sie verpflichtend (Pflichtveranlagung) oder freiwillig (Antragsveranlagung) ist. Wenn Sie eine Steuerberatung oder Lohnsteuerhilfeverein in Anspruch nehmen, gilt eine verlängerte Frist. Aufgrund der Corona-Pandemie wurden die Abgabefristen zudem verlängert.

| Tax year | Obligation | Voluntary | With tax advice |
|----------|------------|------------|-----------------|
| 2021 | - | 31.12.2025 | - |
| 2022 | - | 31.12.2026 | 31.07.2024 |
| 2023 | 31.07.2024 | 31.12.2027 | 31.07.2025 |
| 2024 | 31.07.2025 | 31.12.2028 | 31.07.2026 |
| 2025 | 31.07.2026 | 31.12.2029 | 31.07.2027 |



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