Certificate in German Taxation Laws

Tax Compliance and Reporting

AO: The German abbreviation for "Finanzamt," which translates to "Tax Office" in English.

Betriebsprüfung: A comprehensive tax audit conducted by the German tax authorities to examine a taxpayer's books, records, and financial statements to ensure tax compliance.

Einkommensteuer: The German income tax, which is a direct tax levied on the income of individuals, including both residents and non-residents of Germany.

Fiktive Einkünfte: Imputed income, which is income that is not actually earned but is assumed to be earned for tax purposes. For example, in Germany, the imputed rental income of homeowners is subject to income tax.

Gewerbesteuer: A local trade tax levied on businesses in Germany, which is based on a business's profits.

Grenzsteuersatz: The marginal tax rate, which is the tax rate applied to the last euro of taxable income.

Kapitalertragsteuer: A withholding tax on investment income, such as dividends and interest, in Germany.

Lohnsteuer: A withholding tax on employment income in Germany, which is deducted from an employee's salary by the employer and paid directly to the tax authorities.

Progressionsvorbehalt: A provision in the German tax law that increases the tax rate on certain types of income, such as capital gains, if the taxpayer's overall income exceeds a certain threshold.

Solidaritätszuschlag: A surcharge added to the German income tax and certain other taxes, which is used to finance the costs of German reunification.

Umsatzsteuer: The German value-added tax (VAT), which is a consumption tax levied on the sale of goods and services.

Vorläufige Steueranmeldung: A preliminary tax return, which is used to report and pay taxes on a periodic basis, such as monthly or quarterly.

Zinsabschlagsteuer: A withholding tax on interest income in Germany, which is similar to the Kapitalertragsteuer but applies to interest income only.

Abgeltungsteuer: A final withholding tax on investment income, such as dividends and interest, in Germany. This tax is intended to replace the previous system of taxing investment income at the individual's marginal tax rate.

Allgemeine Steuergrundsätze: The general principles of taxation in Germany, which include the principles of legality, equality, and ability to pay.

Arbeitnehmerpauschbetrag: A standard deduction for employment expenses in Germany, which is intended to simplify the tax filing process for employees.

Aufgabe der unbeschränkten Steuerpflicht: The termination of unlimited tax liability in Germany, which occurs when a taxpayer ceases to be a resident of Germany.

Ausländische Einkünfte: Foreign income, which is subject to taxation in Germany if the taxpayer is a resident of Germany or if the income is sourced in Germany.

Besteuerung von Einkünften aus Kapitalvermögen: The taxation of investment income in Germany, which includes dividends, interest, and capital gains.

Bilanzierung: The process of preparing financial statements, which is required for tax purposes in Germany.

Doppelbesteuerungsabkommen: Tax treaties between Germany and other countries, which are designed to prevent double taxation of income and to promote international tax cooperation.

Einkünfteermittlung: The process of determining taxable income in Germany, which includes the determination of gross income, the deduction of allowable expenses, and the application of tax credits.

EStG: The German abbreviation for "Einkommensteuergesetz," which is the Income Tax Act in Germany.

Fiktive Einkünfte: Imputed income, which is income that is not actually earned but is assumed to be earned for tax purposes. For example, in Germany, the imputed rental income of homeowners is subject to income tax.

Freistellungsauftrag: A tax exemption order, which is used in Germany to exempt certain types of investment income from taxation.

Gewerbesteuermessbetrag: The assessed tax base for the Gewerbesteuer, which is based on a business's profits.

Grenzsteuersatz: The marginal tax rate, which is the tax rate applied to the last euro of taxable income.

Halbeinkünfteverfahren: A method of taxing capital gains in Germany, which applies a 50% reduction to the taxable gain.

Hinzurechnungsbesteuerung: The inclusion of foreign income in the German tax base, which applies to certain types of foreign income that are not subject to taxation in Germany.

Körperschaftsteuer: The German corporate tax, which is a direct tax levied on the profits of corporations and other legal entities.

Lohnsteuer-Anmeldung: A payroll tax return, which is used to report and pay taxes on employment income in Germany.

Progressionsvorbehalt: A provision in the German tax law that increases the tax rate on certain types of income, such as capital gains, if the taxpayer's overall income exceeds a certain threshold.

Solidaritätszuschlag: A surcharge added to the German income tax and certain other taxes, which is used to finance the costs of German reunification.

Steuererklärung: A tax return, which is used to report and pay taxes in Germany.

Steueridentifikationsnummer: A unique taxpayer identification number, which is used in Germany to administer the tax system.

Steuerpflicht: The obligation to pay taxes in Germany, which arises from the possession or enjoyment of taxable rights or the performance of taxable activities.

Steuerprogression: The increase in the tax rate as taxable income increases, which is a feature of the German tax system.

Steuersatz: The tax rate, which is the proportion of taxable income that is paid as tax.

Steuerveranlagung: The process of determining and assessing the tax liability of a taxpayer in Germany.

Steuervergünstigungen: Tax benefits, which are reductions in the tax liability of a taxpayer in Germany.

Sonderausgaben: Special expenses, which are deductible expenses in Germany that are not directly related to the generation of income.

Umsatzsteuer-Voranmeldung: A VAT return, which is used to report and pay VAT in Germany.

Unbeschränkte Steuerpflicht: Unlimited tax liability in Germany, which applies to taxpayers who are residents of Germany or who have a permanent establishment in Germany.

Veranlagungszeitraum: The tax year, which is the period for which tax is calculated in Germany.

Vermögensteuer: A wealth tax, which is a direct tax levied on the net worth of individuals and legal entities in Germany.

Verlustvortrag: The carryforward of tax losses, which is permitted in Germany to offset future taxable income.

Vorauszahlungen: Advance payments, which are payments made in advance of the tax assessment in

Germany.

Werbungskosten: Business expenses, which are deductible expenses in Germany that are directly related to the generation of income.

Zinsabschlagsteuer: A withholding tax on interest income in Germany, which is similar to the Kapitalertragsteuer but applies to interest income only.

Zusammenveranlagung: Joint taxation, which is the taxation of married couples as