

Taxation of non-resident married taxpayer

Today:
 TC 2 – 15,92%
 TC 1A – 26,66%

Assumptions

Married taxpayers
 German residents



Annual professional income	90.000 EUR <i>100% working days in Luxembourg</i>	45.000 EUR <i>100% in Germany</i>
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Simulation 1	Rental income	12.000 EUR <i>German source</i>	-
Simulation 2	Rental income	14.000 EUR <i>German source</i>	-

Simulation 1	Impact on tax card	<p>< 90% (90.000/102.000 = 88%) < 13.000 EUR TC 2</p>	➔ Tax rate: 26,59%
Simulation 2	Impact on tax card	<p>< 90% (90.000/104.000 = 86%) > 13.000 EUR TC 1</p>	➔ Tax rate: 29,37%

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1



2

	90.000 EUR <i>< 100% working days in Luxembourg</i>	45.000 EUR <i>100% in Germany</i>
Annual professional income		
Simulation 3	20.045 EUR <i>49 days outside Lux</i>	-
Simulation 4	34.773 EUR <i>85 days outside Lux</i>	-

Simulation 3	Impact on tax card	<p>< 90% <i>(49/220 = 22% of income is taxable outside Luxembourg)</i></p> <p>< First 50 days</p> <p>TC 2</p> <p>➔ Tax rate: 25,25%</p>
Simulation 4	Impact on tax card	<p>< 90% <i>(35 (=85-50) /220 = 16% of income is taxable outside Luxembourg)</i></p> <p>> First 50 days</p> <p>TC 1</p> <p>➔ Tax rate: 28,90 %</p>

68 days outside Lux
 18/220 = 8%
 > 90%
TC 2

What if taxpayer 1 has other foreign income for 10.000 EUR (less than 13.000 EUR) ?
< 90% & TC1