

By PwC Deutschland | 02. Januar 2013

Digitisation of employee withholding tax to go ahead

The finance ministry has issued a decree calling for draft ordinances issued in October 2012 to be followed, even though they are, as yet, without a statutory basis.

In October 2012, the finance ministry published two draft decrees regulating the administration of digitised employee withholding tax records from 2013 onwards. These decrees allowed an employer to report his employees onto the system from November 2012 onwards, but required him to wait until January 2013 before using it for calculating and reporting the tax to be paid. 2013 is to be the introductory year for the new system, meaning that all employers and their employees must be reported on by the final salary withholding tax return during the year. The two decrees are still in draft, as they are in part without a statutory basis until promulgation of the Annual Tax Act 2013. Originally, this was expected in December 2012, although, as events turned out, the two parliamentary chambers were unable to agree on the bill, and on most of the other tax measures before them, by the end of 2012. The finance ministry has now issued a decree calling for continued adherence to the draft implementation decrees pending completion of the legislative process "at a later point in time". This includes the licence to employers to continue to follow the old system of recording and reporting the employee withholding tax due as long as they have not yet joined the new system.

Schlagwörter

digitisation, employee withholding tax