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By PwC Deutschland | 20. Dezember 2019

Climate Protection Progamme 2030 - Approved by Bundestag and Bundesrat

On 25 October 2019, the German Bundestag discussed the implementation of the climate protection programme 2030 into tax law. This was followed by a public hearing on 6 November 2019.

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The bill for the implementation of the climate protection programme 2030 in tax law had been adopted by the Federal Government on 16 October 2019.

The amendments to the law will initiate tax measures designed to support climate protection in the areas of transport, housing and energy generation.

UPDATE: The Act has now been approved by the Bundestag (19 December 2019) and by the Bundesrat (20 December 2019)

Reduction of VAT for long-distance rail travel

In order to make rail travel financially more attractive, the VAT rate for long-distance rail passenger transport is to be reduced from 19% to the reduced rate of 7%. In order to promote rail travel over air, air travel tax is to be significantly increased (government draft of 16 October 2019).

Temporary increase in the taxable commuting allowance and mobility premium

The distance lump sum (commuter allowance) is to be raised from 0.30 € to 0.35 € per kilometre after the twenty-first kilometre. The increase will apply for a limited period from 1 January 2021 and 31 December 2026.

Furthermore, a so-called mobility premium is to be introduced. The mobility premium is intended to support taxpayers whose taxable income is below the basic taxable income allowance and who would therefore not benefit from the increase in the commuter allowance.

Tax incentives for energy-efficient renovation of residential buildings

The energy-efficient renovation of buildings used for residential purposes is to be promoted for tax purposes.

Eligible for incentives will be individual renovation measures which are also classified as eligible under building subsidy programmes already existing. A total of twenty per cent of the relevant expenses will be deductible from the tax liability over a period of three years: seven percent each in the first and second year and 6 percent in the third year. In total, expenses for renovation measures amounting to € 200,000 for each renovated property are to be eligible for funding.

Increased land tax assessment rates for areas for wind turbines

This provision will give local authorities/municipalities the option of setting special assessment rates for the real estate in "special areas for wind turbines". The change in the law is intended to encourage municipalities to participate more in revenues from wind turbines and thus to motivate them to allocate more land for wind power.

Reference

Government draft of 16 October 2019 (at 16 October 2019).

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Bundestag approval 19 December 2019 BR-Drs. 662/119

Schlagwörter

Steuern / Tax