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By PwC Deutschland | 30. März 2022

UPDATE: Federal Ministry of Finance publishes Tax Relief Bill 2022

Following the release on 23 February 2022 by the Committee of the Coalition Government of a paper entitled “10 Steps to Relieve our Country”, the Federal Ministry of Finance published the draft Tax Relief 2022 bill on 2 March 2022.

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Draft Bill

The draft bill seeks to enact several of the measures proposed in the“10 Steps to Relieve our Country” paper, namely:

- The lump-sum deduction from employee income will be increased by € 200 to €1,200 applying retroactively from 1 January 2022;
- The personal basic tax-free allowance for 2022 will be increased from € 9,984 to €10,347 applying retroactively from 1 January 2022;
- The increase in the commuter allowance from €0.35 to € 0.38 (for each kilometre travelled over 20 KM) has been brought forward and will now apply retroactively from 1 January 2022. The increase is time limited and will cease in 2026.

Among the proposals mentioned in the 10-Step paper but not included in the draft bill were:

- A proposal to abolish the renewable energy levy from 1 July 2022; and
- An extension of the short-time working allowance to 30 June 2022.

UPDATE (28 March 2022)

In the recommendations to the Bundesrat to be adopted at the Bundesrat session on 08 April 2022, the committees to the Bundesrat propose, inter alia

- Inclusion of measures to mitigate the effects of cold progression;
- an increase in the commuting allowance to 38 cents applying immediately from the 1st kilometer;
- an adjustment of the mileage allowance for business-related travel to current price ratios;
- a reduction in the electricity tax rates set out in the Electricity Tax Act (StromStG) to the minimum level permitted by the EU; and
- a regular review and needs-based adjustment of the income-related expenses lump-sum allowance and the commuting allowance in line with rising energy prices.

UPDATE (16 March 2022)

The Tax Relief Act 2022 was approved at today's federal cabinet meeting. The printed document is not yet available.

Sources:

Ministry of Finance website

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Schlagwörter

Income Tax Act, coal, tax relief