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By PwC Deutschland | 06. Dezember 2025

German Parliament passes the Tax Amendment Act 2025

On 4 December 2025, the German Parliament passed the Tax Amendment Act 2025 in the committee version.

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The Act in this version contains the following tax measures:

- Update of the reference to the de minimis rules for special depreciation for new rentals of residential housing (Section 7b (5) Income Tax Act – “ITA”).
- Increase in the mileage allowance for journeys between home and work and removal of the time limit on the mobility allowance (Section 9 (1) Sentence 3 and Section 101 Sentence 1 ITA).
- Update of the reference to the de minimis regulation for the research allowance (Section 9 (5) Research Allowance Act).
- Reduction of VAT for restaurant and catering services, with the exception of the sale of beverages, to seven per cent (Section 12 (2) No. 15 of the Value Added Tax Act – VATA).
- Notification of a decision/assessment to be made available via data retrieval (Section 18g Sentence 5 V
- Special regulation for the use of centralised customs clearance – CCI (Section 21b – new – VATA).
- Regulations on charitable status:
    - Increase in the exempt amount for trainers and volunteers to EUR 3,300 and EUR 960 euros respectively (Section 3 No. 26, 26a ITA).
    - Increase in the amount of income a charitable corporation can earn before being obliged to use funds in a timely manner from EUR 45,000 to EUR 100,000 (Section 55(1) No. 5 Sentence 4 GTC).
    - Increase in the maximum amount a charitable corporation can operate an economic unit before losing its charitable status to income below EUR 50,000 (Section 64(3) Sentence 2 GTC.
    - E-sports are now treated as non-profit activities (Section 52 (2) Sentence 1 no. 21 GTC).
    - Photovoltaic systems are treated as tax-neutral activities in the context of charitable status (Section 58 no. 11 GTC).

In addition, the remuneration limit for liability restrictions and exemption claims for members of executive bodies of associations, special representatives and association members in Section 31a (1) Sentence 1 and Section 31b (1) Sentence 1 of the German Civil Code is raised to EUR 3,300 euros per annum.

- **The Finance Committee had previously recommended the following amendments to the Bundestag in its recommendation for a decision, BT-Drs. 21/3104**
- Introduction of tax exemption for bonus payments made by the German Sports Aid Foundation (Stiftung Deutsche Sporthilfe) for placements at the Olympic or Paralympic Games from the 2026 tax year onwards (Section 3 No. 73 ITA-Draft, Section 52 (1) ITA).
- Introduction of a standardised maximum amount of EUR 2,000 per month in the case of double household management with foreign accommodation in response to the Supreme Tax Court ruling

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VI R 20/21 of 9 August 2024; the limit of EUR 2,000 will not apply if a service or company flat must be used on a mandatory basis or is specifically earmarked or if the costs have been recognised as necessary for the purposes of the rent allowance pursuant to Section 54 of the Federal Remuneration Act (Section 9 (1) Sentence 3 No. 5 Sentence 4 ITA-Draft, Section 52 (1) ITA).

- Additional inclusion of contributions to trade unions as contributions to professional associations and other professional organisations as income-related expenses for the employee lump sum deduction, lump sum deduction for pension payments and lump sum deduction for other income not intended for economic business operations (Section 9a Sentence 3 ITA-Draft, Section 52 (1) ITA).
- Increase in the maximum amounts of deductible donations to political parties in Section 10b (2) Sentence 1 ITA from EUR 1,650 (or EUR 3,330 in the case of joint assessment) to EUR 3,330 (or EUR 6,600) and in Section 34g Sentence 2 ITA from EUR 825 (or EUR 1,650) to EUR 1,650 (or EUR 3,300) from the 2026 tax assessment period (Section 52 (1) ITA).
- In response to the Supreme Tax Court ruling VIII R 3/21 of 27 March 2024, the option of flat-rate taxation at 25% for wages paid in connection with company events will - from the 2026 tax year onwards- only be available if a participation in the company event is open to all members of the company or the business division (Section 52 (1) ITA).
- In respect of charitable corporations, associations of persons and asset pools within the meaning of Section 5 (1) No. 9 Corporation Tax Act the turnover limit in Section 23a (2) VATA, below which the taxpayer can calculate its deductible input VAT on the basis of 7% taxable turnover, is to be increased from EUR 45,000 to EUR 50,000

Note

The necessary approval of the Bundesrat is still pending.

Source

Bundestag online, announcement dated 4 December 2025.

Schlagwörter

Finance Act, Income Tax Act