By PwC Deutschland | 04. September 2026

Contributions to school support association may be tax-deductible as tuition fee

In a recently published judgment, the Supreme Tax Court decided that contributions made by parents to a support association for their children's private school may, under certain circumstances, be treated as deductible school tuition for income tax purposes. However, expenses for lodging, care, and meals are not eligible.

Background: 30% of tuition fees (except for housing, care, and food) for qualifying dependent children is deductible if a recognized private school located in the EU/EEA countries or a German school is attended and if graduation is approved by the government. The special expenses that can be claimed are limited to EUR 5,000 per annum per child.

In the case at hand, it had to be clarified whether a school tuition which is paid not directly to the school but to its school support association (Foerderverein) would qualify for deduction as special expense.

In 2013, the year of dispute, the plaintiffs (jointly assessed spouses) paid a total of €1,000 to the school support association (sponsoring society of a state-recognized private school). The sponsorship association forwarded the contributions collected from the parents to the local school authority as earmarked funds. The local school authority used the funds to finance the school's operations. The plaintiffs claimed 30% of their contributions as special expenses.

The tax office denied the deduction. It pointed out that the association's statutes also allowed funds to be used for purposes beyond the financing of normal school operations. **The lower tax court** held in favor of the plaintiff; the Supreme Tax Court confirmed this decision.

In the opinion of the Supreme Tax Court, an economic approach is of the essence. From that point of view, it makes no difference for parents whether the school itself collects tuition or whether the school's operations are financed through a support association to which the parents make contributions. The key point is that, ultimately, the contributions are used to finance the school's normal operations.

However, proof must be furnished that the funds were in fact used in accordance with the specified purpose. For that matter it is generally sufficient if this is ensured by corresponding provisions in the association's articles. Otherwise, the taxpayer must prove on a case-by-case basis that the contributions were forwarded to the school authority and used by it exclusively for normal school operations.

Here, the plaintiffs had provided the necessary evidence, according to the binding findings of the lower tax court. The plaintiffs' payments were therefore deductible tuition fees within the meaning of Section 10 (1) Number

9 of the Income Tax Act.

Source: Supreme Tax Court, judgment of 3 June 2026 (X R 27/23) published on 3 September 2026.

Schlagwörter

school and university tuition, special expenses