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By PwC Deutschland | 11 May 2011

Tax on wages from Luxembourg for time spent in Germany suspended

The finance ministry has decreed a suspension of 2010 tax assessments on commuters to Luxembourg in respect of time spent in Germany whilst sick, on holiday or training.

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The German and Luxembourg authorities are currently discussing the taxation of cross-border commuters. Any agreement reached might apply retroactively to 2010. Accordingly, the finance ministry has issued a decree to the effect that 2010 assessments are to be suspended where the resident taxpayer's only income is from a Luxembourg employer and is attributable to time spent in Germany whilst on holiday, off sick, on company outings or attending training courses or lectures. If a German resident commuter's employment income is partially attributable to time spent in Germany for these reasons, the assessment is to be issued, but declared provisional to the relevant extent.

Keywords

Luxembourg, commuters, employment income