

By PwC Deutschland | 04 April 2013

Income tax of foreign artists

The finance ministry has revised the lump sum rules for the taxation of foreign artists, basing them on a tax rate of 20%.

Foreign artists visiting Germany as employees for brief periods may opt for flat rate taxation under a simplification provision. The flat rate applies to their entire earnings in this capacity, regards of their designation. Deductions for personal or business expenses are not allowed. From July 1, 2013, the basic rate is to be 20%. If the employer bears the solidarity surcharge (5.5% of the income tax charge) the income tax rate is 20.22%. If the employer bears both the income tax itself and the solidarity surcharge, the rate rises to 25.35%.

Please note: artists visiting from an EU/EEA country may find it in their interests to opt for taxation under the normal rules for non-resident taxpayers with employment income as they would then be able to deduct the relevant business, and possibly some personal, expenses.

Keywords

flat rate, foreign artist, lump sum