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By PwC Deutschland | 14 May 2019

Draft Finance Bill 2019: Bill for the Further Tax Stimulation of Electric Mobility and on the Amendment of Further Tax Regulations

On 8 May 2019, the Federal Ministry of Finance published a draft bill for the proposed legislation on the further tax stimulation of electro-mobility and changes to other tax regulations.

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The proposed Act on the Further Tax Stimulation of Electric Mobility and on the Amendment of Further Tax Regulations provides for measures for to give tax incentives to environmentally friendly mobility, as well as providing amendments to various areas of tax legislation requiring technical adjustments.further The draft also looks to introduce legislation to combat tax structuring schemes and secure tax revenue. Furthermore, the draft bill integrates makes necessary alignements to EU law and case law of the European Court of Justice (ECJ). The draft bill also contains the expected regulations to limit of the avoidance of real estate transfer tax through so-called share deals.

In the following, you will find a first short overview of the main points:

Tax incentives for environmentally friendly mobility

- Special depreciation for all-electric delivery vehicles,
- New flat-rate taxation without a reduction of the commuter lump-sum allowance, especially for job tickets,
- 50% reduction of the tax base for the private use of electric or externally rechargeable hybrid electric company cars: period of relief extended
- tax exemption on benefits arising from the electric charging of an electric vehicle or hybrid at the premises of the employer or associated company: period of releif extended.

Combating tax structuring and securing tax revenues

- Scope of liability of controlled companies in multilevel tax groups (Organschaft) extended,
- Modernisation of the withholding tax regulations, including applicability to interest on receivables acquired via an internet service platform (defined as a web-based medium, which arranges the buying and selling of shares and other financial instruments, or which acts as a broker between borrowers and lenders),
- Tightening of rules on share deals in respect of transfers of real estate.

Amendments following Supreme Tax Court rulings

- Rules regulating the regional jurisdiction of the tax authorities,
- Losses should not impact the assumption of a deemed trade,
- New regulations in respect of debt defaults arising in connection with capital investments.

Adaptations following EU law and ECJ case law

- Amendment of Trade Tax Act with the creation of a level playing field between participations in domestic entities and those in foreign entities vis-à-vis the regulations permitting the deduction of

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profits arising from such participations,

- Quick VAT Fixes vis-à-vis direct deliveries to consignment warehouses, chain transactions and intra-Community deliveries,
- Changes to regulations on the tour operators VAT margin scheme,
- VAT exemption on services provided by independent associations to their members.

Other

- Extension of the reduced VAT rate to e-books.

Source:

Draft bill published by the Ministry of Finance on 8 May 2019

Keywords

Finance Bill