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By PwC Deutschland | 14 May 2026

Income classification of a soccer player in his role as a ”brand ambassador”

A soccer player’s promotional activities as a “brand ambassador” do not, on their own, constitute a commercial activity if the fees paid are intended solely to compensate for specific achievements and successes in the field of soccer. This was decided by the Düsseldorf Tax Court.

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The case in dispute concerns the question whether the income earned by a young professional soccer player from an equipment and advertising contract with a sporting goods manufacturer in 2021 constitutes commercial income. The plaintiff entered into a five-year equipment and advertising contract. The contract governed, among others, the use of the plaintiff's name and image, performance bonuses, and support for the K. brand. In addition, he was supplied with K. products free of charge. In the year of dispute (2021), the plaintiff received bonuses for participating in various matches as well as for his first goal in a league match. The plaintiff declared the income as other income. **The tax office**, however, treated the income as business income and charged trade tax.

The plaintiff then requested that a negative trading income be recognized taking into account the amortization of his naming rights. The tax office did not agree because the plaintiff did not yet possess marketable rights to his name. It contended that the agreement was merely a standard junior team sponsorship contract of a speculative nature aimed at the plaintiff's future reputation.

The tax court classified the income as "other income" according to Section 22 (3) Income Tax Act. It held that the performance bonuses received in the year in question were paid exclusively for exceptional athletic achievements and not for wearing K. products. The provision of products free of charge served merely to supply work equipment and did not constitute remuneration. Although the role as a "brand ambassador" - which could fulfill all the characteristics of a commercial activity - had been "K.'s primary motivation," the specific case lacked the intention to make a profit which is a perquisite for a commercial activity.

Source:

Dusseldorf Tax Court, judgment of 31 March 2026 (10 K 48/25 E, G).

The judgment is not final: An appeal to the Supreme Tax Court was not allowed by the Düsseldorf Tax Court. - Meanwhile, the plaintiff submitted a complaint relating to non-admission before the Supreme Tax Court (pending under case no. X B 40/26).

Keywords

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Promotion, assignment of players, brand ambassador