

# Information

## Income Tax (Lohnsteuer)

### Income tax (Lohnsteuer/Einkommenssteuer)

Income tax is automatically deducted from wage payments (salary). This is taken care of by the employer. However, the full income is not taxed. This means that not all of your income is taken into account when calculating taxes.

To ensure that the minimum subsistence level is tax-free for everyone, there is a basic tax-free amount. This amounts to **9,984 euros** in 2022. No one has to pay taxes on this basic allowance. However, there are also other expenses that reduce the income taken into account when calculating taxes.

- Tax rates: between 14% and 45% of income → The higher the taxable income, the higher the tax rate

You can calculate in advance the income tax to be paid by using the income tax calculator [Lohn- und Einkommensteuerrechner](#)<sup>1</sup> (only available in German).

### Tax Classes (Steuerklassen)

If you work and earn more than 450 euros per month, you pay income tax. The amount of income tax depends on your salary and your income tax class.

- There are six tax classes in Germany
- The income tax class is assigned by the tax office
- Married couples can choose between three combinations of tax classes. The choice of combination depends on income.

### Which tax class is for whom? (Deviations in special individual cases are possible)

<b>Tax class I</b>	<ul style="list-style-type: none"><li>• Singles</li><li>• Unmarried couples</li><li>• Married persons with limited tax liability</li><li>• Permanently separated persons (also when the spouse lives abroad)</li><li>• Divorcees</li><li>• Pensioners</li></ul>
<b>Tax class II</b>	Single parents
<b>Tax class III + V</b>	Married / Partnered <b>Conditions:</b> <i>Tax class III is reserved for the spouse/partner with the higher income. The other spouse/partner is assigned tax class V.</i>
<b>Tax class IV</b>	Married / Partnered <b>Conditions:</b> <i>Both spouses can be assigned tax class IV if they have approximately the same income.</i>
<b>Tax class VI</b>	Single and married persons, if they have several jobs

<sup>1</sup> <https://www.bmf-steuerrechner.de/>

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## Income Tax (Lohnsteuer)

### Income Tax Return (Einkommensteuererklärung/Lohnsteuererklärung)

Filing an income tax return each year offers the opportunity to have the tax office check whether too much tax has been paid. If this is the case, the tax office pays back the overpaid taxes.

- The income tax return can be submitted by yourself or with the help of an authorized representative (usually a tax consultant or income tax assistance association (Lohnsteuerhilfverein)). The Internet offers various apps and applications, most of which are subject to a fee, which are designed to simplify the filing of tax returns. It is possible to directly submit a digital tax return free of charge via the online tax return ELSTER ([Online-Steuererklärung ELSTER<sup>2</sup>](#)).
- The tax office checks the amount of income to be taxed. For example, the basic tax-free allowance and other expenses are deducted from the taxable income. The tax office then calculates the difference: underpaid taxes must be paid to the tax office - overpaid taxes are refunded.

The deadline for filing your income tax return is July 31 of the following year. This means that you should file your income tax return for 2021 by July 31, 2022. The income tax return can, however, be filed retroactively for 4 years.<sup>3</sup> If you are not required to file an income tax return, it may still be worthwhile to do so. For example, if you had tradesmen's costs or work-related expenses. You can also deduct costs for private health insurance from your taxes.

You must (are obliged to) file your tax return if you have<sup>4</sup>

- Income from self-employed or commercial activities
- Rental Income
- Investment Income
- ...

The submission is also obligatory if you are engaged in several activities (subject to social insurance contributions) at the same time or have selected income tax classes III + V or IV with the factor method.

### Further Information

For more detailed information on tax returns, please contact the responsible tax office, a tax advisor or an income tax assistance association (Lohnsteuerhilfverein).

The responsible tax office is determined by the place of residence at the time of filing the tax return.

- City of Hamburg: [Online-Behördenfinder<sup>5</sup>](#) (determine responsible tax office)
- Federal Ministry of Finance: [Steuerklärungsvordrucke<sup>6</sup>](#) (official forms)
- Brochure: [Steuern von A bis Z; Ausgabe 2019 \(bundesfinanzministerium.de\)<sup>7</sup>](#) (only available in German)

<sup>2</sup> <http://www.elster.de/>

<sup>3</sup> An extension of the deadline is possible upon application to the tax office.

<sup>4</sup> This is not an exhaustive list. You can obtain information from your tax office.

<sup>5</sup> <https://www.hamburg.de/behoerdenfinder/hamburg/11440572/>

<sup>6</sup> <https://www.formulare-bfinv.de/>

<sup>7</sup> [https://www.bundesfinanzministerium.de/Content/DE/Downloads/Broschueren\\_Bestellservice/2018-03-26-steuern-von-a-z.pdf?\\_\\_blob=publicationFile&v=4](https://www.bundesfinanzministerium.de/Content/DE/Downloads/Broschueren_Bestellservice/2018-03-26-steuern-von-a-z.pdf?__blob=publicationFile&v=4)