

Information

Taxes (Steuern)

Without tax money, the state would not be able to fulfill elementary tasks for the community. These include social security, internal and external security, and the financing of education, health and transport infrastructure. In total, there are almost 40 different types of taxes in Germany. We would like to explain some of them here:

Income Tax (Einkommensteuer/Lohnsteuer)

All persons living in Germany and who have an income have to pay income tax.

Income tax is automatically deducted from certain income (for example, from wage payments (salary)). This is taken care of by the employer. However, the full income is not taxed. This means that not all your income is taken into account in the tax calculation.

- 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. There are also other expenses that reduce the income taken into account when calculating taxes.
- Tax Rate: between 14% and 45% of income → the higher the taxable income, the higher the tax rate.
- Self-employed persons must pay their own taxes on their income and are obliged to file an annual income tax return ([Einkommensteuererklärung](#)¹).
- You can find more on this topic at (link can be found on Income Tax information sheet)

Church Tax (Kirchensteuer)

Anyone who belongs to a church or a denomination that levies church tax must pay church tax. In Hamburg, you have to pay 9% church tax on your income.

Capital Gains Tax (Kapitalertragssteuer)

This tax is levied on investment income, for example interest on overnight money, fixed-term deposits or on savings accounts, as well as stock dividends.

- Exempt amount (lump sum savings allowance) for the year 2022: 801 euros for single persons and 1,602 euros for married persons
- Amount of tax: generally 25%

Value Added Tax (VAT) (Umsatzsteuer/Mehrwertsteuer)

Consumers come into contact with value-added tax in all transactions of daily life.

- Amount of tax: standard rate 19%, reduced rate of 7% for certain products (for example, food, books).
- In all transactions for private individuals, the VAT is already included in the final price.

Trade Tax (Gewerbesteuer)

Every commercial enterprise operating in Hamburg must also pay trade tax.

- Tax is measured on the income (profit) of the enterprise

You can find detailed information on trade tax on the website of the Hamburg Chamber of Commerce -> [Gewerbesteuer - Handelskammer Hamburg \(hk24.de\)](#)² (only available in German)

¹ <https://www.hamburg.com/welcome/living/bank-taxes/11845642/income-tax-declaration/>

² <https://www.hk24.de/produktmarken/beratung-service/recht-und-steuern/steuerrecht/existenzgruender/gewerbesteuer-1157146>

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Tax Identification Number (Steueridentifikationsnummer)

Every person born or registered in Germany receives a tax identification number.

- 11-digit number is valid for life
- Necessary for the correct determination of income tax
- Is automatically sent to you by mail approx. 2-4 weeks after you have [registered](#)³ your residence in Germany.
- Alternatively, it can also be requested again via the [input form](#)⁴ of the Federal Central Tax Office.

Tax Class (Income Tax) (Steuerklassen)

As an employee, you pay income tax. The amount of income tax depends on your wages and your income tax class.

- In Germany there are six tax classes
- 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.
- You can find more information about tax classes on our Hamburg Welcome Portal -> [Tax Classes – Hamburg Welcome Portal](#)⁵

More information

- City of Hamburg: [Online-Behördenfinder](#)⁶ (determine responsible tax office)
- Bundesministerium der Finanzen: [Steuererklärungsvordrucke](#)⁷ (official forms)
- Brochure: [Steuern von A bis Z; Ausgabe 2019 \(bundesfinanzministerium.de\)](#)⁸ (only available in German)
- Elster: [Online-Steuererklärung](#)⁹ (official website for tax return – only available in German)

³ <https://www.hamburg.com/welcome/entry-residence/general-regulations/11725242/registration/>

⁴ https://www.bzst.de/SiteGlobals/Kontaktformulare/EN/Tax_Idenr/message_IdNr/notification_idnr_node.html

⁵ <https://www.hamburg.com/welcome/living/bank-taxes/11845766/tax-classes/>

⁶ <https://www.hamburg.de/behoerdenfinder/hamburg/11440572/>

⁷ <https://www.formulare-bfinv.de/>

⁸ https://www.bundesfinanzministerium.de/Content/DE/Downloads/Broschueren_Bestellservice/2018-03-26-steuern-von-a-z.pdf?__blob=publicationFile&v=4

⁹ <http://www.elster.de/>