

Taxation in Germany



9.1 Research Visit based on a Fellowship

If your research visit to Germany is based on a fellowship, you may, under certain circumstances, be exempt from taxation under German income tax law. We recommend you to discuss this matter with the organisation that has awarded the fellowship. Furthermore, you should enquire whether the fellowship paid in Germany is subject to taxation in your own country.

The preconditions for tax exemption on fellowships in Germany are:

- The fellowship is paid from public funds or awarded by a public or non-profit agency (provided that it is recognised under German law) or by inter- or supra-governmental institutions of which the Federal Republic of Germany is a member.
- The fellowship is awarded for the purpose of promoting research or for academic or artistic educational or professional development.
- The fellowship does not exceed the amount needed to carry out the research task or to cover living expenses/training needs.
- The fellowship is granted in accordance with the regulations of the donor.
- The fellowship does not stipulate quid pro quo or the employment of the recipient.



9.2 Research Visit based on an Employment Contract



If your research visit is based on an employment contract in Germany and will last more than 6 months, your globally-earned income and assets will, as a rule, be subject to taxation in Germany.

Income Tax (Einkommensteuer)

Your employer, the university, will deduct income tax (equivalent to tax on wages) from your salary at source and pay it to the tax authorities. The amount of tax depends on factors such as income, marital status and tax bracket. Any person registered in or subject to taxation in Germany is assigned a tax ID number for tax purposes. You will receive this number by post within a few days of registering at the Residents' Registration Office. It is valid for life. Citing your tax ID number and your date of birth, your employer will contact the tax authorities to request what is called your ELSTAM information, i.e. the information required to calculate the correct tax deduction. You can refer to your income tax statement to view your current ELSTAM data.

9.3 Double Taxation Agreements

In order to avoid a situation in which foreigners are liable to pay tax both in Germany and in their own countries, double taxation agreements have been concluded with many countries. They regulate in which country you have to pay tax.

If you stay for less than 6 months (183 days), your income will be taxed in your own country, provided that you work for a foreign employer and that a double taxation agreement has been concluded assigning the right of taxation to your own country. If any of these conditions is not met, your salary will be taxed in Germany.

Agreements exist with some countries which allow you to pay tax in your own country if you are a university teacher or researcher who comes to Germany

for a maximum of two years (in most agreements) in order to teach or do research at a public institution. Details can be found in the double taxation agreements for Member States of the EU and certain other countries.

The "Finanzamt Bochum-Süd" or "Finanzamt Bochum-Mitte" are the tax offices to contact about matters relating to double taxation for employees of Ruhr-Universität Bochum. These offices will review your application and confirm your tax bracket. If you have any other questions, please contact the "Finanzamt Düsseldorf" for advice.



Finanzamt Düsseldorf-Süd

Kruppstr. 110-112
40227 Düsseldorf

Ms Andrea Waldecker
Tel.: 02 11 / 77 98 37 36

Ms Marion Bloch
Tel.: 02 11 / 77 98 35 71

Limited Income Tax Liability

If you have no habitual abode in Germany and your stay does not exceed six months your tax liability in Germany is limited. You can download an application for a certificate of limited tax liability for employees:

www.formulare-bfinv.de > Steuern > Lohnsteuer > Antrag auf Erteilung einer Bescheinigung für den Lohnsteuerabzug 201_ für beschränkt einkommenssteuerpflichtige Arbeitnehmer

You can find more useful information (as well as forms and info sheets) on taxation and double taxation in Nordrhein-Westfalen on the website of the Oberfinanzdirektion Nordrhein Westfalen:
www.ofd-rheinland.de

Finanzamt Bochum-Süd

Castroper Str. 40–42
44791 Bochum
www.finanzamt-bochum-sued.de

Finanzamt Bochum-Mitte

Königsallee 21
44789 Bochum
www.finanzamt-bochum-mitte.de

9.4 Tax Return

At the end of each calendar year, you may apply for an income tax adjustment (“Lohnsteuerausgleich”) at your local tax office. This may entitle you to a partial refund of the tax you have paid. The necessary documents can be obtained online from the Federal Ministry of Finance or your local tax office (“Finanzamt”) or town hall (“Rathaus”). You can also file your tax electronically, using a system called ELSTER (“elektronische Lohnsteuererklärung”).

Please find out whether you are required to file a tax return.

If you have already returned home, you have the option of filing your tax return from your own country. It should be filed with your former local tax office by 31 May, but no later than 31 December of the following calendar year. Once the tax office has processed your return, you will receive a tax statement (“Steuerbescheid”) informing you whether you will receive a refund and, if so, how much.

Often, it is worth paying a tax accountant to help you complete your tax return.



9.5 Church Tax

An unusual feature of the German tax system is its state-collected Church Tax. Under certain circumstances, religious communities can have the tax authorities collect Church Tax on their behalf. In the case of the major churches, the state collects Church Tax (8-9 percent of your income tax) together with income tax by deducting it directly from your monthly salary. This is why you are asked to state your religious affiliation when you register at the Residents' Registration Office.

Not all religious communities collect church tax through the state, so please enquire at the Residents' Registration Office whether Church Tax applies to you.

Further information:

- www.steuerliches-info-center.de/EN
(Tax Information Centre, Bundeszentralamt für Steuern)
- www.bundesfinanzministerium.de/Web/EN/Home/home
(Federal Ministry of Finance, Bundesfinanzministerium)
- www.dstv.de/en/dstv-en
(Association of German Tax Accountants – tax accountant database)