Bayerisches Staatsministerium
der Finanzen und für Heimat

Tax legislation and administration in Germany

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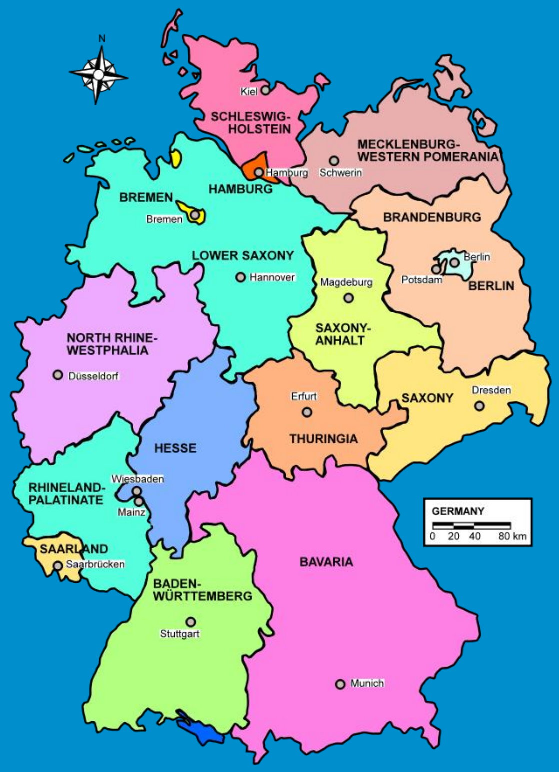
I. Germany – a federation

II. The German tax system
- Tax legislation
- Allocation of tax revenues

III. Structure of the German tax administration

I. GERMANY – A FEDERATION

- Federation („Bund“) consisting of 16 Federal States („Länder“)
- Tax legislation primarily task of the Federal Government in Berlin
- Tax administration mainly in the responsibility of the Federal States



II. THE GERMAN TAX SYSTEM
TAX LEGISLATION

Federal Government	Federal States	Local Communities
Exclusive legislative power[1] for customs **Competing legislative power**[2] for other major taxes, e.g. – Income Tax – Corporate Tax – Value Added Tax	**Exclusive legislative power**[1] for local consumption and expenditure taxes (e.g. Second Home Tax and Dog Tax)	**No autonomous legislative power** **BUT: Bavaria** transferred its exclusive legislative power for local consumption and expenditure taxes to the Local Communities (e.g. Second Home Tax and Dog Tax)

[1] Federal Government or Federal States have sole legislative power.
[2] Federal States have legislative power, as long as the Federal Government did not make use of its legislative power.

II. THE GERMAN TAX SYSTEM
ALLOCATION OF TAX REVENUES

Federal Government	Federal States	Local Communities
Federal Taxes	**States Taxes**	**Local Taxes**
Customs Tobacco Tax Tax on Electricity Motor Vehicle Tax Insurance Tax	Inheritance Tax Real Estate Transfer Tax Beer Tax	Property Tax Trade Tax Dog Tax Second Home Tax
Combined Federal and States Taxes ➔ Revenue is allocated between Federal Government, Federal States and Local Communities		
Value Added Tax, Income Tax (including Payroll Tax), Corporate Tax (no share for Local Communities)		

III. STRUCTURE OF THE GERMAN TAX ADMINISTRATION

Federal Tax Authorities

- Federal Ministry of Finance
  - General Directorate of Customs
    - Local Costums Offices
      - **Administration of Costums, Motor Vehicle Tax**
  - Federal Central Tax Office
    - **Information Exchange with other countries**

States Tax Authorities

- Bavarian State Ministry of Finance
  - Bavarian Central Tax Office
    - 68 Local Tax Offices in Bavaria
      - **Administration of Combined Federal and State Taxes**
      - **Administration of State and Local Taxes**, if NOT transferred to the Local Communities

Local Communities

- **Administration of Local Taxes**, if transferred to the Local Communities

Many thanks for your attention!