

Germany; Syria; Türkiye

# Ministry of Finance Notes Tax Measures to Support Victims of Earthquake in Türkiye and Syria

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The German Ministry of Finance has issued guidance on tax measures to support victims of the earthquake in Türkiye and Syria. The measures apply from 6 February 2023 until 31 December 2023. The guidance notes the following tax measures:

## Donations

Domestic legal entities of public law, domestic public offices or a domestic officially recognized associations of free welfare work and its member associations can make tax deductible donations to newly opened special accounts. These donations can be proved by cash payment receipts or booking confirmations from a bank. If the payments are made through an account of a third person, proof can be provided by means of an acknowledgment of the donation from the recipient.

Documentary proof must be submitted upon request to the tax administration and be kept until the end of the subsequent year after the notification of the tax assessment.

## Fundraising by tax-privileged corporations to support earthquake victims

Tax privileges will also be granted to corporations which, according to its articles of incorporation, may not promote charitable purposes. The privileges do not apply to the support of businesses, self-employed persons or support funds of communities.

## Actions of tax-privileged corporations to support earthquake victims

The tax privilege will be maintained if these entities next to donations put other resources at the disposal of the victims. This rule also applies for the secondment of employees and the making available of office buildings.

## Tax treatment of grants of business assets

Sponsoring grants of business assets to earthquake victims are treated as deductible business expenses. The same rule applies to grants of business assets to commercial relations, earthquake victims or to businesses or institutions involved in dealing with the earthquake (including legal entities under public law). The recipient will have to value the assets at fair market value.

## Wage tax

Grants and support to employees and/or their relatives are exempt for an amount of EUR 600. Any excess is also exempt, if a special emergency exists, taking into account the income and family circumstances of the employee. This exemption also applies to certain benefits, certain subsidies, use of company cars, dwellings, furniture, free care and granting of other goods. The exemption applies to the amount of the damage.

Wages and benefits in kind donated by employees and fees donated by members of the supervisory board are exempt from wage tax, but cannot be claimed as a donation in the income tax return.

## VAT

Putting personnel, premises, material resources or other services at the disposal of earthquake victims by tax-privileged corporations is VAT exempt.

Input VAT paid for supplies and services to institutions helping earthquake victims remains deductible.

## Gift tax

Donations to public bodies and churches for public and charitable purposes for earthquake victims are exempt from gift tax.

The full text of Guidance Letter No. IV C 4 – S 2223/19/10003:019, 2023/0154386, published by the German Ministry of Finance on 27 February 2023, is available [here](#) (as a PDF and in German only).

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