

Luxembourg

Finance Ministry Proposes New Individual Income Tax Table to Parliament

1 December 2023

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The Minister of Finance has presented a bill for additional adjustments to the individual income tax table (*chambre des députes*), as set out below.

Taxable amount (EUR)			Tax rate (%)
Up to 12,438			0
12,438	-	14,508	8
14,508	-	16,578	9
16,578	-	18,648	10
18,648	-	20,718	11
20,718	-	22,788	12
22,788	-	24,939	14
24,939	-	27,090	16
27,090	-	29,241	18
29,241	-	31,392	20
31,392	-	33,543	22
33,543	-	35,694	24
35,694	-	37,845	26

37,845	-	39,996	28
39,996	-	42,147	30
42,147	-	44,298	32
44,298	-	46,449	34
46,449	-	48,600	36
48,600	-	50,751	38
50,751	-	110,403	39
110,403	-	165,600	40
165,600	-	220,788	41
Over 220,788			42

Widowed individuals, those aged over 64 on January 1 of the tax year, or those living alone with dependents, receive tax relief by applying the rate to their adjusted taxable basis.

To achieve this, the net taxable income is reduced by an amount calculated as 50% of the difference between EUR 49,752 and net taxable income if the latter is lower than EUR 49,752. The rate is 39% for the income bracket between EUR 41,814 and EUR 110,403, 40% for the income bracket between EUR 110,403 and EUR 165,600, 41% for the income bracket between EUR 165,600 and EUR 220,788 and 42% for the income bracket exceeding EUR 220,788.

The bill also contains a new table with revaluation coefficients. The full text of bill 8343, presented to Parliament on 27 November 2023 and the accompanying Explanatory Memorandum, is available [here](#) (in French only).

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