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Factsheet for case **DE-2020-13/407**

Deferral of tax payments

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Country	Germany, applies nationwide
Time period	Temporary, 23 March 2020 - 31 December 2020
Type	Legislation or other statutory regulation
Category	Supporting businesses to stay afloat – Deferral of payments
Case created	09 April 2020 (updated 29 April 2020)

Background information

The Federal Government has changed tax law, in order to help business to stay afloat and improve their financial liquidity. If companies are not able to pay their taxes due to their financial losses in the crisis, they can apply for deferral of their tax payments. This will be free of interest. Companies need to file their application with the local tax authority office. This measure is part of the support package to stabilise the German economy and help out firms during the Corona crisis. The package was adopted by the Federal Government at the end of March 2020.

Content of measure

The German Federal Government eased tax rules for companies affected by the Corona pandemic. If companies are not able to pay their taxes due to their financial losses in the crisis, they can apply for deferral of their tax payments. This will be free of interest. Applications need to be sent to local tax authorities by the end of 2020. Though applicants must prove that they are directly affected by the current crisis, they do not have to provide evidence regards their losses or incurred damages. This measure concerns income, corporate and the sales tax. If needed, the motor vehicle tax can also be postponed.

Use of measure

No information to date

Actors, target groups and funding

Actors	Target groups	Funding
National government Company / Companies Local / regional government	All companies	National funds

Social partners

Role of social partners	Consulted
Form of involvement	Other

German social partners are usually consulted by the Federal Government on broader measures, though no formal tripartite social dialogue structure exist in Germany at the federal level

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 03 April 2020: Steu-er-li-che Hil-fen für Un-ter-neh-men und Be-schäf-tig-te (www.bundesfinanzministerium.de)