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Factsheet for case **DE-2020-13/408**

Adjusting tax prepayments

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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 – Direct or indirect financial support
Case created	09 April 2020 (updated 18 April 2020)

Background Information

The Federal Government changed the tax law, in order to help businesses, free lancers and self-employed persons with their tax payments and improve their liquidity. All companies/entrepreneurs can apply at the local tax authority office to have their tax prepayments reviewed and lowered. 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

Regards income and corporate tax, companies, self-employed people and freelancers can ask the tax office to adjust their prepayments. The same is possible for the measurement amount for business tax prepayments. These prepayments are usually based on the taxpayers' income from the last year(s). With the new rules, applicants can ask for lower prepayments as soon as they can show that their income is likely to be lower in 2020. This is part of a broader package that also includes other changes in tax law, all of them directed at easing tax burdens for companies in times of crisis; and also includes easier access to loans, start-up support or financial help for solo- or micro entrepreneurs.

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 One person or microenterprises	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 exists 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)