



DEMOKRATESCH  
PARTEI

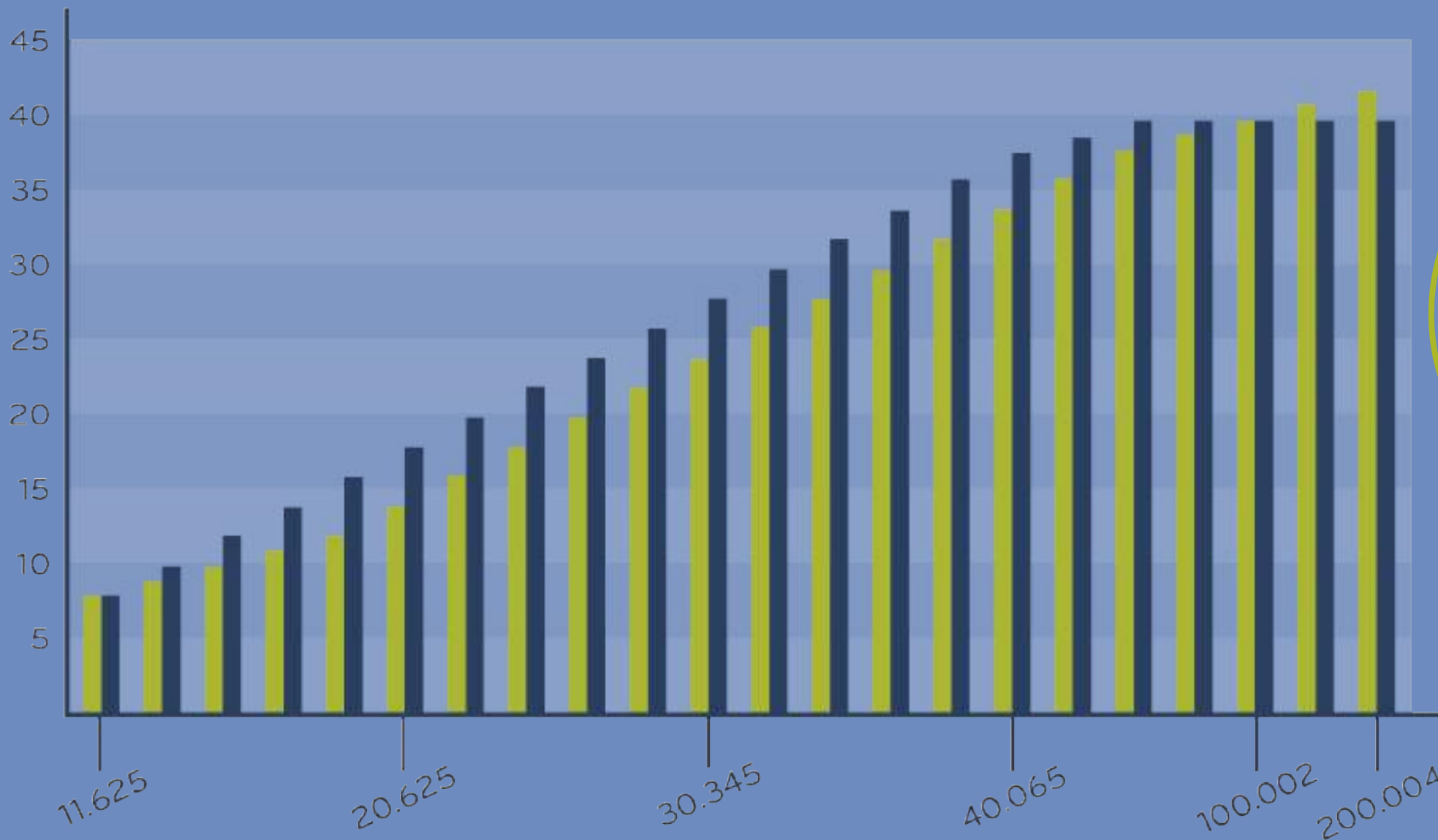
# Tax Reform 2017



# Tax rate at respective level in %

currently

2017



Flattening of the middle-income bump

Taxable income in €





42%

from 200.004 €

41%

from 150.000 €





Brutto

-1.222 €  
-24%

## Yearly tax charge

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currently:

5.186 €

2017:

3.964 €



Brutto

## Yearly tax credit

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currently: 300 €

2017: (max.) 600 €



# Mortgage interest

# Building savings contract











## Deductability ceilings on

Mortgage interest on principal residence

Building savings contract



## Deductibility ceilings on

## Mortgage interest :

	until N+5	up to N+10	subsequent years
Currently	1.500 €	1.125 €	750 €
2017	2.000 €	1.500 €	1.000 €



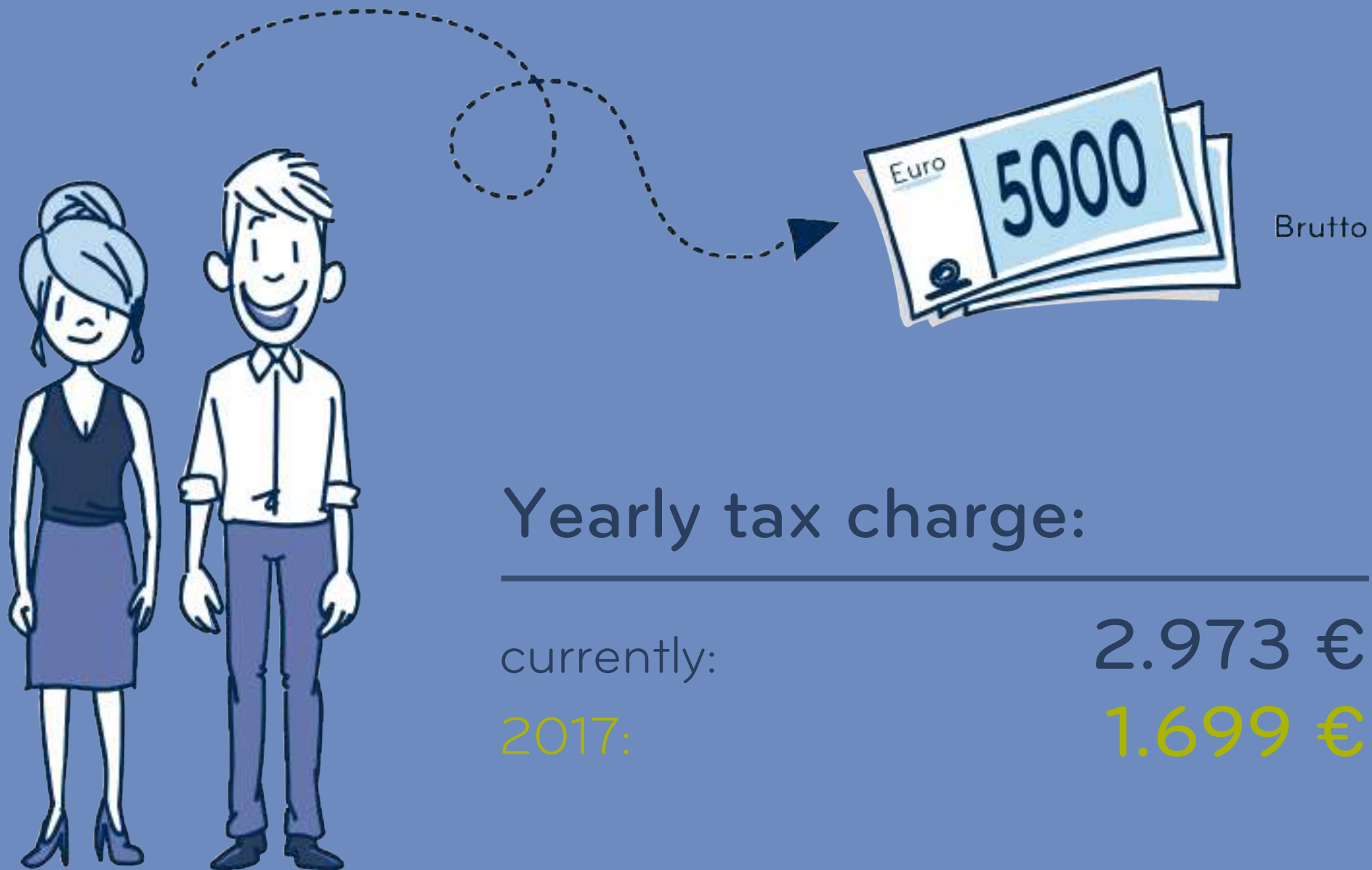
Deductability ceilings on

Building savings contract

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Doubling to **1.344 €**  
for people under the age of 40







## Other housing measures:

- Abolition of the rental value
- Only half of all income from social housing rent (AIS) is taxable
- $\frac{1}{4}$ -rate on realised gain (plus-value)

## Additional measures:



- Deductability ceiling on expenditure on domestic services:  
3.600 € | **5.400 €**
- Tax incentives to promote sustainable transportation
- Face value of meal vouchers:  
8.40 € | **10.60 €**





## Optional individualization from 2018

- + flexibility
- + equal rights





	Taxation	
	A	B
Annual net revenue	50.000 €	20.000 €
Annual net revenue, adjusted	70.000 €	
Tax charge (class 2)	8.286 €	
Average tax rate	11,84 %	



Taxation			
	A	B	Tax due
Revenues	50.000 €	20.000 €	
Reaffection	-15.000 €	+15.000 €	
Annual net revenue, adjusted	35.000 €	35.000 €	
Tax charge (class 1)	4,143 €	4.143 €	8.286 €
Average tax rate	11,84 %	11,84 %	





Taxation			
	A	B	Tax due
Revenues	50.000 €	20.000 €	
	First revenue	Second revenue	
Taxation class 2	3.437 €	3.000 €	6.437 €
+ Advances			1.849 €
Yearly tax charge			8.286 €





Taxation			
	A	B	Tax due
Revenues = taxation basis	50.000 €	20.000 €	
Taxation according to average tax rate at 11,84 %	5.918,57 €	2.367,43 €	8.286 €



# Retirement provisions





## Currently (according to age):

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< 40	1.500 €
40-44	1.750 €
45-49	2.100 €
50-54	2.600 €
55-74	3.200 €



Deductability ceiling on  
retirement provisions from 2017:

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3.200 €

# Tax credit for single parents (CIM)











## Tax credit for single parents (CIM):

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currently: 750 €  
2017: (max.) 1.500 €



CIM:

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(max.) 1.500 €

Renting benefits:

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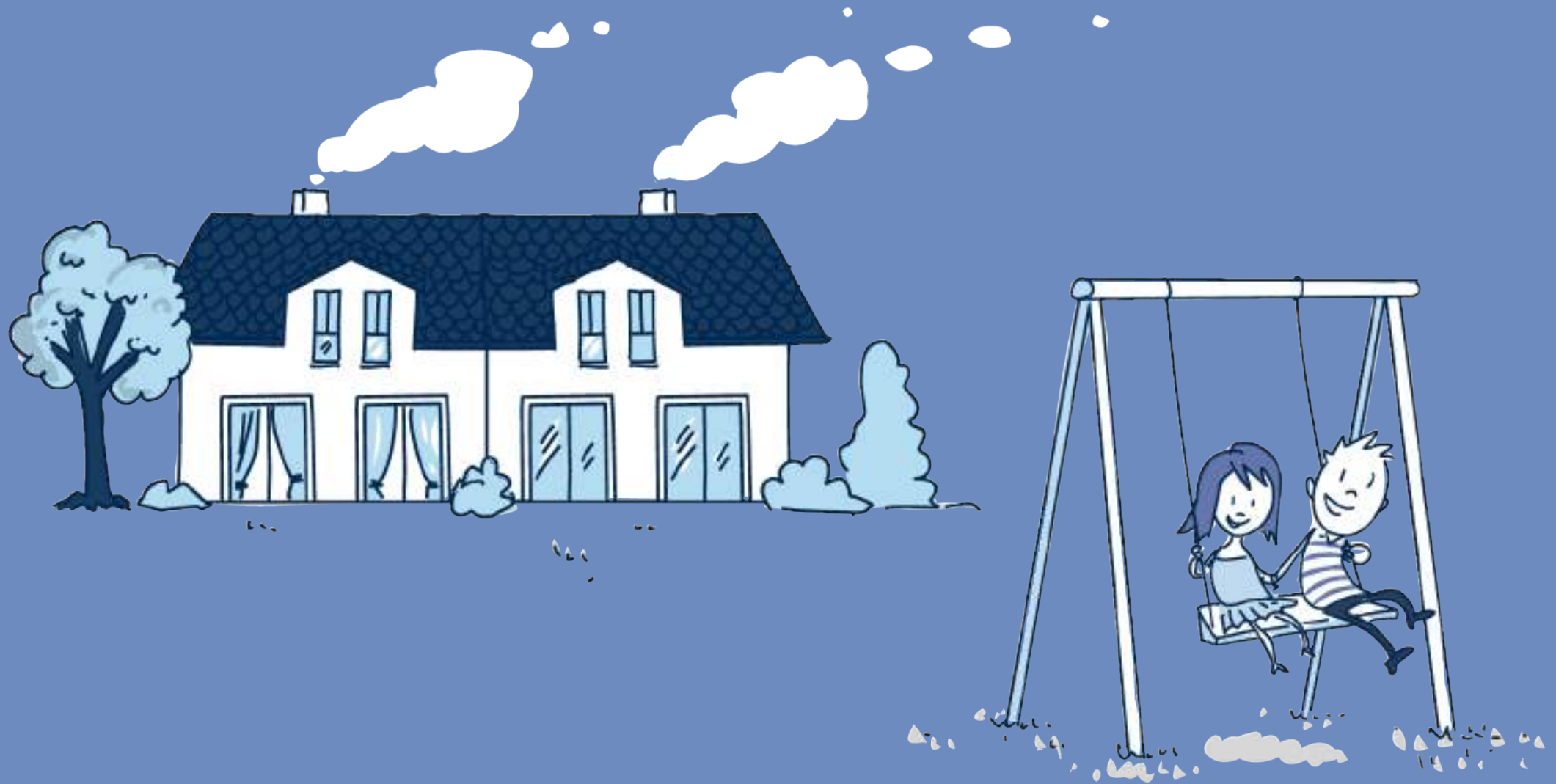
(max.) 1.788 €

+ (max.  
2.838 €)

## Other measures:

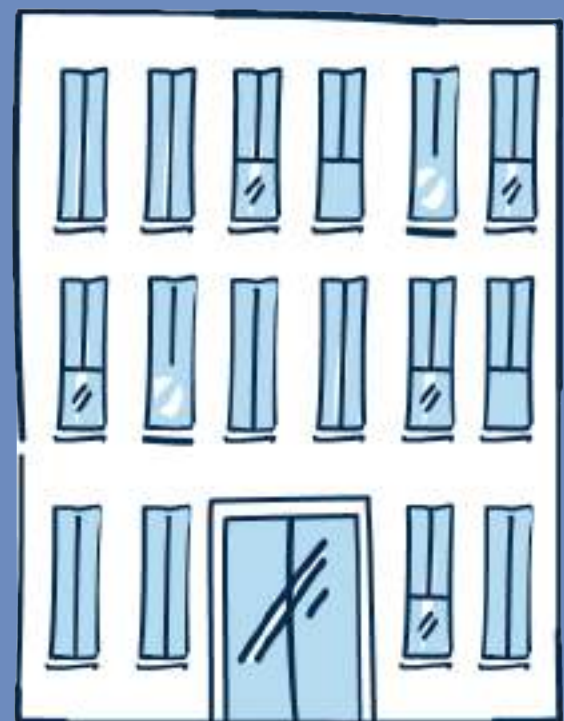


- Deductability ceiling on expenditure on extraordinary charges:  
3.480 € | **4.020 €**
- Level of maintenance allowance not affecting the CIM :  
160 € | **184 €**
- Orphan's pension is not taxable



# Corporate income tax

# Business transmissions







# Corporate income tax:

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currently: **21 %**

2017: **19 %**

2018: **18 %**

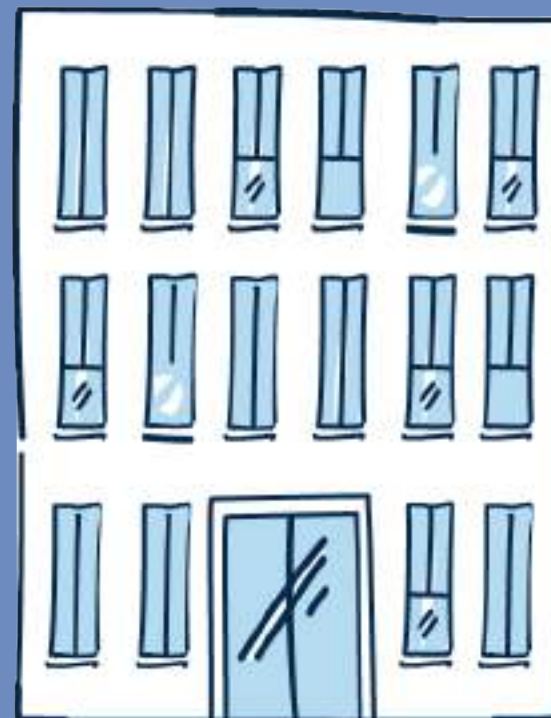


## Corporate income tax:

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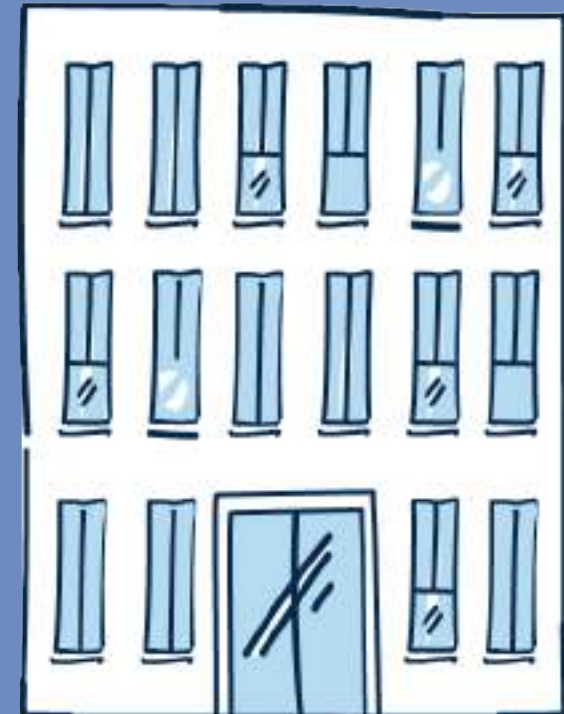
currently: 21 % resp. 20 %

2017: 19 % resp. 15 %



## Additional measures:

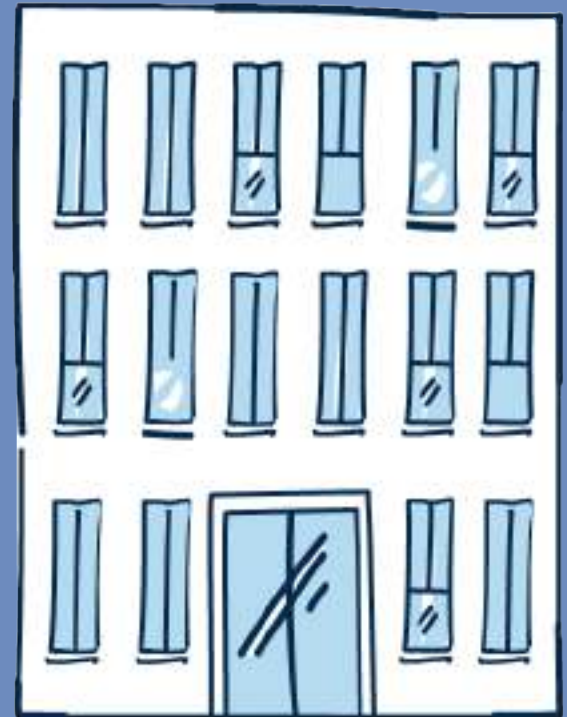
- Business transmissions
- Agricultural businesses investments up to 250.000: **30 %**
- For investments under 150.000:  
complementary invest. tax credit:  
12 % | **13 %**  
global invest. tax credit : 7 % | **8 %**

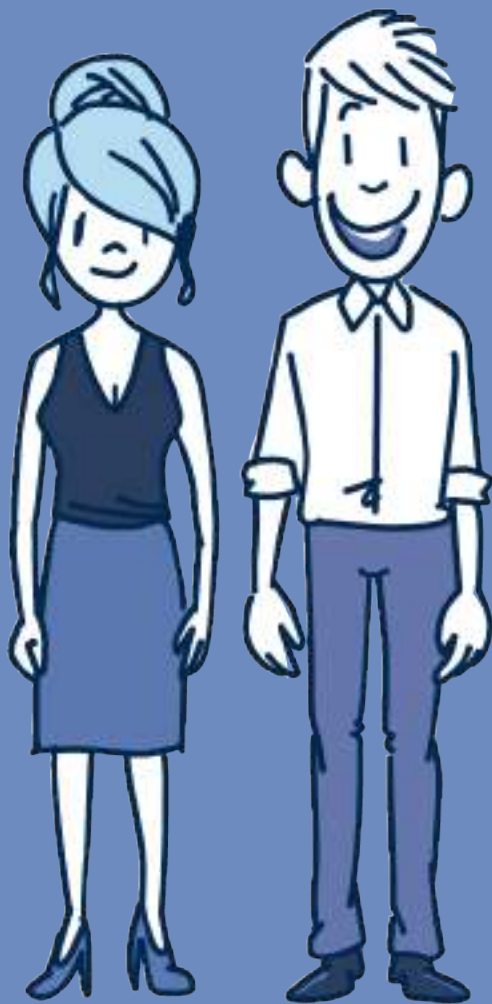


- Minimum Net Wealth Tax (Soparfi) from 3.210 € to 4.815 €
- Carry forward of tax losses
- Depreciation of assets



# Reinforcement of the fight against tax fraud



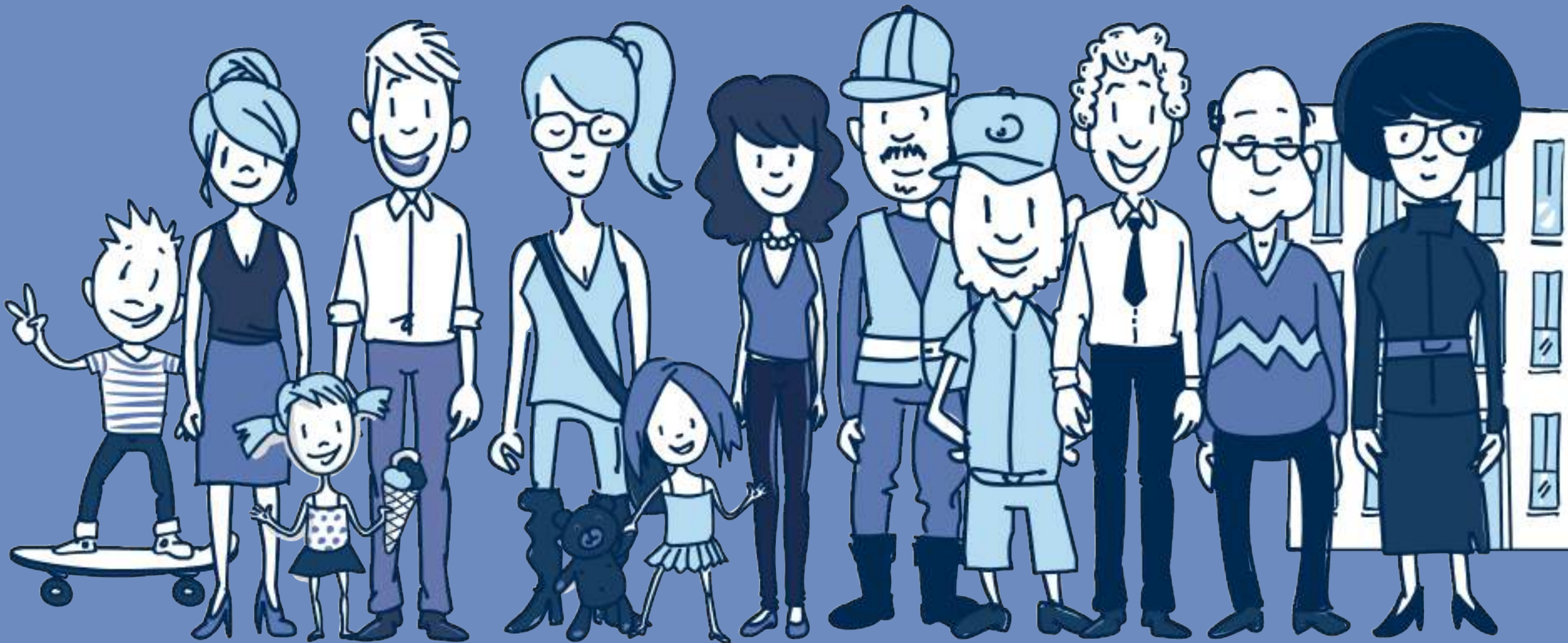








# Merci Villmols.





[reforme-fiscale.public.lu](http://reforme-fiscale.public.lu)