



Tax system and tax declaration

Every employee in Germany pays part of their wages as taxes and social contributions. Self-employed persons must also pay taxes.

Important: You must make sure that you pay your taxes and declare your income properly to the Tax Office. Tax evasion is a criminal offence. There are fines and, in serious cases, prison sentences of up to 10 years.

For more information, see  [Handbook Germany: German Tax System](#) and  [Handbook Germany: Tax Declaration](#) (in 9 languages).

Income tax



Income tax is a contribution to financing federal, state and local government spending. With the money from taxes, streets and schools are built or social benefits are financed, for example.

If you have an employer (i.e. are “angestellt”), you will receive the net sum of your salary from your employer – in other words, your taxes have already been deducted.

If you are self-employed, you need to calculate your taxes yourself.


Tax ID number

All working persons receive a “Tax ID number” when they start work. The tax ID is a 11-digit number and is used for income tax. It is valid for the whole of your life. Children born in Germany receive a letter with their personal tax ID within three months after the birth; this is required to apply for child benefit (Kindergeld) for example.

If you work in Germany, you will need the number at various times, for example to give to your employer. If you do not know the number, you can ask for it personally at the  [Meldebehörde \(registration office\)](#) or in writing from the  [Bundesamt für Steuern \(federal tax office\)](#).

Tax return

In the annual tax return, you can claim various expenses from the Tax Office to reduce the amount of tax you pay. You can receive refunds or you may have to pay additional payments to the Tax Office. Many people are obliged to complete a tax return; it is best to ask the Tax Office if this applies to you.

If you need help with your tax return, you should contact your local taxpayer’s advice centre or a tax consultant. The  [Tax Office](#) may also be able to help if you have any questions.