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1. I worked in Luxembourg and paid taxes. Do I file a tax return?

Everybody who works abroad has to pay income tax. Under certain conditions, you can refund some of the taxes you (your employer) paid. We refund **Luxembourg income tax**.

2. What does “tax refund” mean?

A **refund** means that your employer paid more taxes on your behalf than was necessary, and you can claim that excess money back from the tax office.

By filing a tax return, you are actually reporting to the Luxembourg Tax Office how much you earned as gross income and how much you paid in taxes while you stayed in Luxembourg.

3. Why do some agencies claim that they will refund MORE tax overpayment for you than the others?

There is **no such a thing as “more refund”** on your taxes. Be careful, because this might be a marketing trick to attract you to sign a contract.

If a tax specialist does your tax return properly, according to the Luxembourg tax law, the **refund can be calculated in only one possible way!** If an agency applies tax deductions that you are NOT entitled to, your refund will increase on one hand (you will get back more money), but you are at a very high risk that you will have to pay it back to the Tax Office.

4. How much income tax is paid from your income?

Income tax rates are progressive and vary from 0% up to 42%. A 7% surcharge for the Employment Fund contribution applies on the income tax due.

The calculation of the income tax also depends on the applicable tax class (which is established according to your personal situation). There are three tax classes: 1, 1a and 2.

Here you can find the tax rates for 2020:

Yearly net taxable income				
Tax liability depending on tax class	EUR 30,000	EUR 60,000	EUR 120,000	EUR 240,000
Tax class 1	EUR 2,791	EUR 13,916	EUR 39,168	EUR 92,665
Tax class 1a	EUR 1,277	EUR 13,159	EUR 38,411	EUR 91,908
Tax class 2	EUR 678	EUR 5,584	EUR 27,833	EUR 78,337

5. What is a tax class?

For tax purposes, individuals in Luxembourg are granted a tax class which is based on the taxpayer's personal situation. There are 3 tax classes:

1. **Class 1** for single persons.
2. **Class 1a** for single persons with children as well as single taxpayers aged at least 65 on 1 January of the tax year.
3. **Class 2** for married persons as well as civil partners (under certain conditions).

Married non-resident taxpayers who are not separated are granted tax class 1. However, subject to some conditions, they can request to be treated as Luxembourg tax residents to obtain the application of the tax class 2 (generally, the tax class for resident unseparated spouses). The application of tax class 2 leads to a joint tax return (imposition collective).

6. What documents do you need for your tax refund?

In order to get your income tax refund as quickly as possible and to apply for the highest amount, you need to have:

- **Power of Attorney**
- a copy of your **earning document Certificat de salaire**
- **EWR** (or equivalent document) proving your income in other countries

- **Copy of your ID card/passport**
- a copy of your **Marriage Certificate** (if applicable) **and your spouse's ID**
- If you have any children, a copy of their **Birth Certificate**(if applicable)

7. What is a Certificat de salaire?

The **Certificate** is a form that each employer has to give to his employees at the end of the year. The form reports the employee's annual wage and the taxes deducted from each paycheck. The Certificate is not based on the fiscal year, but reports income on a calendar year (January 1 to December 31).

8. What is the Identification Number/File Number (Numéro de dossier)?

The Identification Number/File Number (Numéro de dossier) is an eleven-digit number issued to Luxembourg taxpayers beginning with 00. Its primary purpose is to track individuals for the purposes of taxation. You can find it in the letters you receive from the Luxembourg tax office when you have an obligation to file a tax return. **Be careful and keep your file number. We need it in order to submit your tax return.**

9. What if you do not have all the necessary documents?

Unfortunately, without a Certificate it is not possible to submit a tax return. If you do not have a Certificate, you need to request it from your employer (or we can do it for you - find more about our Replacement service **here**).

10. How many years back can I file my tax refund?

According to the Luxembourg tax office, you can only file your tax return **1 year back**.

11. How long does it take to receive my tax refund?

On average **it takes 3 to 9 months for the tax return** to be processed by the tax office, but the actual time may vary on a case by case basis.

12. When is the deadline for filing the tax return?

The official deadline is **31 March** of the year of assessment, but the TO usually accepts tax returns until **31 December**.

13. What are the penalties for late tax return filing/tax paying?

The tax office **does not accept** tax returns after 31 December of the year following the year of taxation. Failure to submit a tax return or a late filing is subject to a penalty of **10%** of the tax due and a fine up to **EUR 25,000**.

14. Why is your tax calculation different from the actual Tax Office calculation?

In some cases, tax officials calculate the **tax on your Tax Return higher or lower than the Tax Office shows in the final calculation**.

What are the most frequent causes?

- The Tax Office had different data on your record (your employer reported different data, than you have on your Certificate)
- Your employer wrongly paid more/less than was necessary
- You may have some **debt/overpayment from previous years**