

German Coach Tax

Temporary Importation of Motor Coaches into Germany

Information written by the German National Tourist Office – 04.01.2006

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Please note: all the information contained in these guidelines may vary from case to case and certain exceptions may apply which cannot be covered within the confines of this overview; qualified assistance on German tax matters is available from the German British Chamber of Industry and Commerce (GBCC),

*Mecklenburg House,
16 Buckingham Gate,
London, SW1E 6LB*

Tel: 020 79764100, Fax: 79764101

Internet: www.ahk-london.co.uk,

Email: marketing.services@ahk-london.co.uk

also: all correspondence, application forms and explanatory sheets by your German tax office - situated in Hannover - will be in the German language only, however they have recently published a website in English with further information - www.steuer.niedersachsen.de/Service/GB.html

1. Travel within the EU-borders

Since customs offices at border crossing points between EU member states have been abolished, coaches will no longer be checked on entry from another EU member state.

However, even after the opening of the borders between EU states and the abolition of custom checks, coach operators are still liable to pay VAT on coach transport in Germany.

First Step

If your company intends to run coach tours into Germany, please register yourself for VAT with the appropriate German tax office Hannover-Nord (please use attached form "Registrierung/registration").

Second Step

The German authorities will send you the "Umsatzsteuer-Voranmeldung" and "Fragebogen zur umsatzsteuerlichen Erfassung zum Unternehmen" (see enclosed samples) for you to complete. To assist you with this, see form "Anlage zur Umsatzsteuer-Voranmeldung" / *Enclosure for advanced VAT Registration:*

1. Please complete vehicle registration number
2. Your furthest destination
3. The day of arrival in Germany
4. The day of exit from Germany
5. Estimated number of kilometers in total
6. Estimated number of kilometers in Germany only
7. The transportation cost¹ in total

¹ Example 1: You charge 20 passengers £200 for a trip to Cologne. £100 is transportation cost (the rest is cost to you, i.e. hotel charges, entrance fees, city tours, etc.)

20 passengers * £100 = transportation fee total: £2000

- German portion: The km travelled in total between the UK and Cologne are 500. Only 70 are travelled in Germany. This would mean that only 14% of the £2000 is the transportation fee for Germany, i.e. £280.
- Convert this figure into Euro, £280 = Euro 448,-. To simplify this example the exchange rate is set at £1 = Euro 1,6 (but please check with your bank for current rate).
- Divide Euro 448 by 1.16 (16 % German VAT) to arrive at your net turnover, i.e. Euro 386. Transfer this to the official German "Umsatzsteuer Voranmeldung" No 51 - left hand column.
- The difference between gross and net sum, here Euro 448 and Euro 386 is the VAT payable = Euro 62.

VAT returns will need to be forwarded to the German tax authorities every month (at least in the beginning for the first year, afterwards could be less frequent).

2. Crossing non-EU borders *(there are exceptions to these rules – if in doubt please contact the **GBCC**)*

Some companies operate tours not only to Germany but also through Germany into non-EU countries, i.e. Switzerland or Poland & the Czech Republic (note: Poland & the CR are non EU until April 2004). Recently, the VAT charges levied on the temporary importation of motor coaches passing through Germany into non-EU countries has been increased to Euro 0,0443 per passenger per kilometer travelled in Germany².

This rate of tax will be charged by German customs officers at the non-EU border. Even if registered, the operator will need to pay the tax at this rate.

However, the tour operator can opt for a method, that may save money. In some cases, it may be more favourable to do a calculation as described in our Example 1. If the amount to be paid in this "second step" calculation is smaller than what has already been paid at the border, send in the "new" calculation with your annual return (Umsatzsteuererklärung 20..) at the end of the year/beginning of the year.

In order to do so you need to send in "revised" calculations (enclosing the receipt from the border-crossing). A refund may be due from the tax office or you may set this deduction off with any sums that are due to the tax office from other tours (i.e. tours into Germany, not crossing non-EU borders).

3. Annual tax return forms

Annual tax return forms should confirm what has been stated in the monthly (quarterly) "Umsatzsteuer-Voranmeldung". If you do not wish to include non-EU crossings (as described in the previous chapter), all you need to do is combine your 4 quarterly calculations into one.

Also, if an operator runs a limited number of tours a year and the amount of tax to be paid comes to less than Euro 512, he may wish to opt for just one annual return (Umsatzsteuererklärung 20..) instead of a quarterly "Voranmeldung". In this case, he will need to apply to the tax office for this in advance.

4. List of Forms

Also enclosed is a list of forms that may be sent to you by the German Tax Office with explanations how to respond to them.

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- When you pay VAT for services such as repairs to your coach or for petrol while in Germany, you can reclaim it. Please fill in details of any refund you wish to make, enclosing receipts; the VAT charge is mentioned on German bills. The total of this sum should be transferred to NO 66.
 - By deducting your refund claims from the VAT charged to you, you will arrive at a sum either payable by you to the tax office or - if your costs exceeded the VAT demands - payable to you by the tax office. A complete example form is enclosed.

² Example 2: 30 passengers * 200 km in Germany * 0.007 (16% of Euro 0,0443) = Euro 42

- Umsatzsteuererklärung 20.. / *Annual tax return 20..*
This is used at the very end or at the beginning of a year (the German tax year starts in January). Ignore "Anlage UN" or "UR".
Action:
 1. Correct/amend/or repeat your quarterly statements
 2. Include your non-EU countries statements (see 2)
 3. List your tours - in case you have chosen to do a once-a-year declaration, provided you have advised the tax office in advance and your annual VAT-payments would not exceed Euro 512.
- Einzugsermächtigung und Durchschrift für die Akten / *Direct debit form and spare copies for the files*
- Umsatzsteuer-Voranmeldung 20.. / *Advance-declaration of tours and VAT*
Action:
 1. Once you have registered (see registration form) you will be sent 12 forms, one for each month of the year
 2. Return completed form monthly - even if you had no tours (just state: "keine Reisen in diesem Monat")
- Anleitung zur Umsatzsteuer-Voranmeldung/Umsatzsteuererklärung / *Instruction leaflets*
For German speakers only
- Lohnsteuer-Anmeldung / *Registration form for employment tax*
Unless you employ staff in Germany - you can safely ignore this form

You may receive any of the following forms during the year:

- Wichtige Mitteilungen / *Important information*
Your Tax Reference Number (Steuernummer)
Action: Your driver(s) should carry a copy of this form. Always refer to the "Steuernummer" in correspondence with the tax office.
- Erinnerung an die Abgabe der Steuermeldung / *Reminder*
They have not received your monthly/quarterly return
Action: Send your "Voranmeldung" - even if you did not run any tours and - if applicable - any payments due.
- Bescheid über einen Verspätungszuschlag / *Notice of delay penalty*
Advises you of penalty charges for not paying within the following month of the past month.
Action: You may have forgotten to pay. You may also feel that you do not owe them any money. Do not delay - tell them straight away (use fax if necessary).
- Mahnung / *a stronger reminder*
A delay penalty has already been incurred
Action: If you have already settled your account - no action is required (has your payment/return crossed with this reminder?). If not - it is either time to settle up now or to let them know that you do not agree with their assessment - in any case - tell them immediately (use a fax if necessary).

An das / to the
Finanzamt Hannover- Nord
Abteilung Umsatzsteuer
Vahrenwalderstr. 206
30165 Hannover
Germany

Fax: 0049/511/67 90 - 133

Datum / Date _____

Registrierung / *Registration*

Meine Firma plant Busreisen nach Deutschland. *My company is planning coach trips to Germany.*

Ich bitte um eine Steuernummer zur Abführung der MwSt: *Please supply me with a VAT number:*

Firma / *Company* _____

Adresse / *Address* _____

Telephone/Fax: _____ Land / *country*: _____

Bankverbindung - *Anschrift der Bank / bank's name and address*

Bank

Kontonummer / *account number* Bankleitzahl / *sorting code*

Anschrift / *address* _____

Ich bitte um Zusendung einer Umsatzsteuer-Voranmeldung / *Please send me the appropriate document (advanced VAT registration)*

Name und Unterschrift/ *name and signature*

Anlage zur Umsatzsteuervoranmeldung für das / *Enclosure for advanced VAT Registration for*

I II III IV Kalendervierteljahr 200_ / *quarter of the calendar year 200_*

KFZ Kennzeichen <i>coach registration no</i>	Reiseziel <i>Destination</i>	Einreise <i>Arrival date</i>	Ausreise <i>Departure date</i>	km insgesamt <i>km in total</i>	km in BRD <i>km in Germany</i>	Beförderungs- entgelt gesamt <i>Transportation fee total</i>	Anteil BRD <i>German portion</i>
Summe <i>Total sum</i>							
Umrechnung in Euro (Durchschnittskurs) <i>Conversion into Euro (average rate – check with your bank)</i>							
Dividiert durch 1,16 = Nettoumsatz; Eintragung KZ 51, linke Spalte <i>Divided by 1.16 = net turnover: transfer sum to KZ 51, left column</i>							
Differenz = Umsatzsteuer; Eintragung KZ 51, rechte Spalte <i>Difference = VAT; transfer sum to KZ 51, right hand side column</i>							
In Deutschland gezahlte Umsatzsteuer i.V. mit der Beförderungsleistung (Belege sind beizufügen); Eintragung KZ 66 <i>VAT paid in Germany in connection with transportation service (enclose bill/receipt); transfer sum to KZ 66</i>							
Umsatzsteuerlast/Erstattungsanspruch (KZ51 - KZ66), Eintragung KZ83 <i>VAT charges/refund (KZ 51, right column - KZ 66); transfer sum to column KZ83</i>							

Box 320: VAT paid in
Germany (Petrol etc.)

Box 290, left:
Total for annual
NET Turnover (see
quarterly example)

Box 290, right:
Total for VAT

Total of difference
between 290 - 320

Box 888: Total you have already
paid at border and the difference
to what you want considered (encl.
receipts from the border and example
as in quarter-return to show how
you arrive at this sum (Box 820)

Total to pay
or your refund

VBZ 21

(x) Cross applicable box

Company Details

1.	Name of Company		
	Location of Head Office		
	Address of Company	Telephone Number	
2.	Legal status of Company: (e.g. general partnership, limited company)		
3.	Type of business: (e.g. "Busunternehmer" - coach company)		
4.	Do you have an authorized representative in Germany? <input type="checkbox"/> Yes - (Please give name and address and enclose authorisation) <input type="checkbox"/> No		
5.	Any refunds should be transferred to: Name and location of bank:	Sort code:	Account Number:
6.	Does your business in Germany involve <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> (last box) Conveyance of passengers in Germany		
7.	When will you begin business in Germany		
8.	VAT installments due: <input type="checkbox"/> Monthly (Annual VAT more than Euro 6136) <input type="checkbox"/> Quarterly (Annual VAT up to Euro 6136) <input type="checkbox"/> None (Annual VAT less than Euro 512) (Annual return only required - see Notes page 2 - No. 3)		
9.	Do you require a German VAT identification number? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (not relevant for British coach business)		

I hereby confirm that the details I have given are correct and that I am not registered at any other German tax office nor have I previously applied for a VAT Number.

Place, Date

Signature