

Taxation of non-profit associations in the area of income taxes (corporate income tax, trade tax)

Tax exemption of associations in the area of income taxes:

The Corporation Tax Act and the Trade Tax Act contain tax exemption provisions for associations which, according to their articles of association and actual management, serve exclusively and directly charitable, benevolent or ecclesiastical purposes.

Competent Department

- [Finanzamt Bremen](#)
- [Finanzamt Bremerhaven](#)

Basic information

Associations are generally subject to corporate income tax and trade tax as income taxes. The Corporation Tax Act and the Trade Tax Act contain tax exemption regulations for associations.

Requirements

Limits of the tax exemption:

The tax exemption does not apply to economic business operations that are not special-purpose operations, unless the total income from them, including turnover tax, does not exceed 45,000 euros per year.

What deadlines must be paid attention to?

- The deadline for informing the tax office about the formation of the association is one month (§ 137 of the tax code).
- In principle, the tax return Gem 1 (if applicable Gem 1A) as well as possibly a corporation tax return KSt 1 B and a trade tax return GewSt 1 A with all annexes/documents must be submitted by the expiry of the statutory deadline on 31 May of the year following the calendar year for which the tax return is submitted.
- For taxpayers whose return is prepared by e.g. tax advisors, this deadline has generally been extended to 31 December of the year in question.

- The tax offices have the option of requesting returns with reasonable notice for a date prior to the expiry of the generally extended deadline.