

Corporate Tax - Germany

Germany's rising real estate transfer tax rates

Contributed by [P+P Pöllath + Partners Attorneys - Tax Advisors](#)

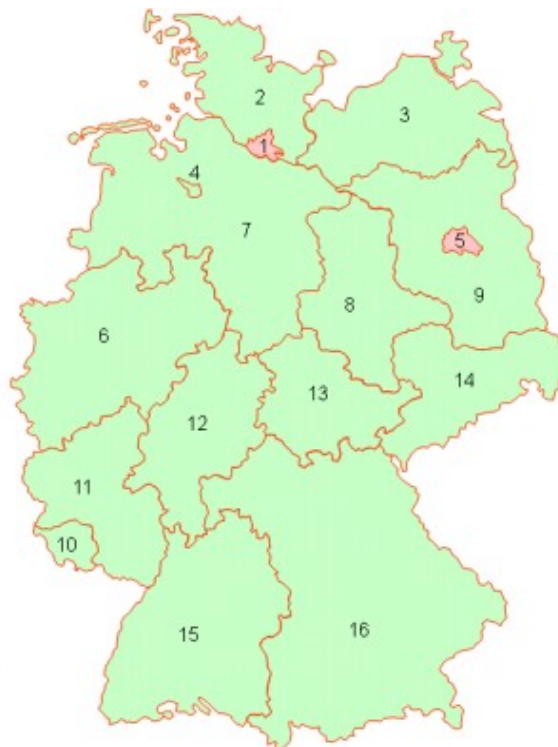
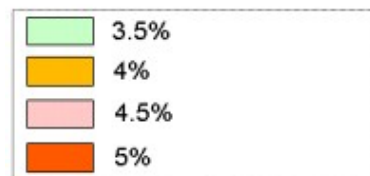
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Since a legislative reform in 2006, Germany's state governments have had the right autonomously to change the real estate transfer tax (RETT) rates applicable to transfers of properties located in their states. RETT is generally triggered when real estate is transferred, directly or indirectly, under an asset or share deal. However, exceptions or exemptions may apply, particularly in share deals.

The general RETT rate is 3.5% on the purchase price or the relevant tax value of the real estate (e.g., in the case of a share deal). Berlin and Hamburg increased the rate from 3.5% to 4.5% in 2007 and 2009, respectively, and several other states have followed suit, resulting in a patchwork of RETT rates. Some of the states (Brandenburg, Thuringia and presumably, North Rhine-Westphalia, Schleswig-Holstein and Rhineland-Palatinate) have increased or will increase the rate to 5% – a 43% increase over the general rate. This trend is likely to continue because in times of shortfalls in state budgets, a RETT increase seems to be a simple and most effective way to obtain more revenue. The following maps show the relevant RETT rates from 2009 to 2013.

RETT rates 2009

- 1 Hamburg
- 2 Schleswig-Holstein
- 3 Mecklenburg-West Pomerania
- 4 Bremen
- 5 Berlin
- 6 North Rhine-Westphalia
- 7 Lower Saxony
- 8 Saxony-Anhalt
- 9 Brandenburg
- 10 Saarland
- 11 Rhineland-Palatinate
- 12 Hesse
- 13 Thuringia
- 14 Saxony
- 15 Baden-Wuerttemberg
- 16 Bavaria



Authors

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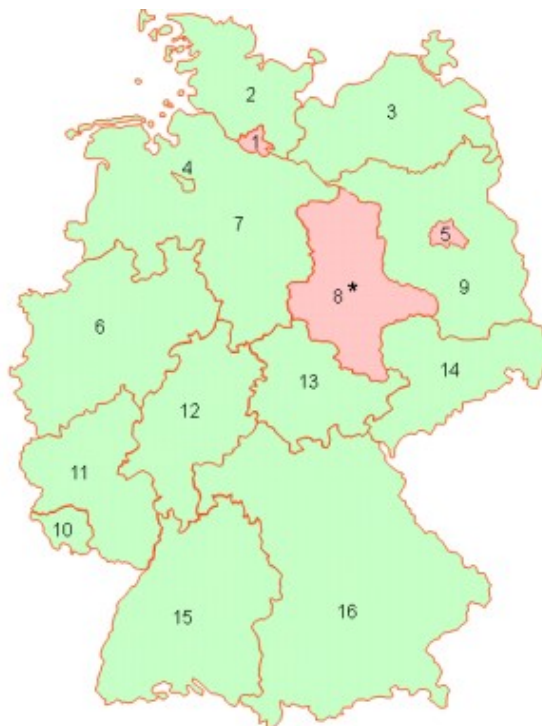
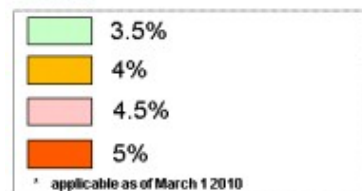


[Hardy Fischer](#)



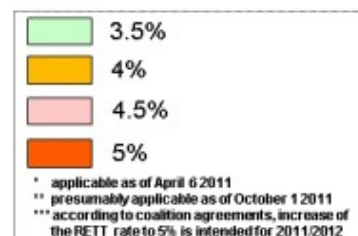
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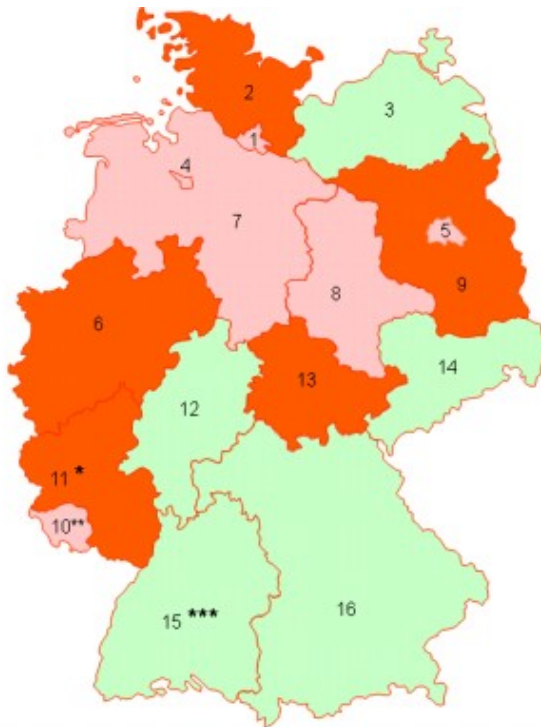
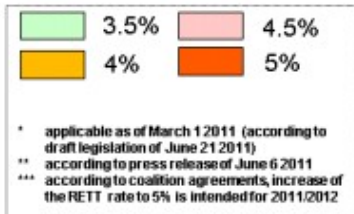
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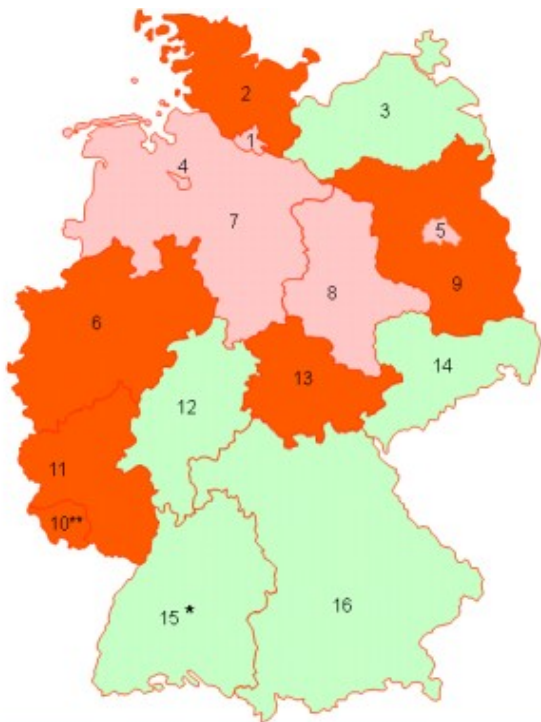
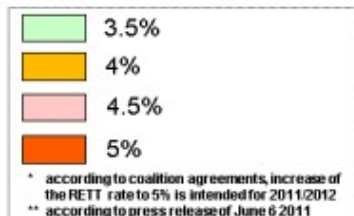
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RETT rates 2013

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