

**Touring and Taxation - Canadian Music Week
Tuesday 4 June 2024 - Toronto**

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1 . Limited Tax Liability in Germany

- Art. 49 par. 1 No. 2d Income Tax Act

2. Obligation

- Withholding tax on gross (Art. 50a Income Tax Act)

3 . Deduction of expenses

- possible for European nationals and taxpayers
(Art. 50a par. 3 Income Tax Act); direct expenses only
- no option at source for non European entities

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4. Tax rates

- 15,835% on gross
- 31,705% on net (for individuals)
- 15,825% on net (for legal entities)

5. Double Tax Treaties

- Exemption for European and non European entities possible
- Art. 17 par. 1 OECD Model allows taxation of remuneration paid to artists
- Art. 17 par. 2 OECD Model allows to tax artists' fees on the level of a third person which is involved

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- Art. 7 OECD Model: production expenses are deemed to be business income which is not taxable in Germany (Federal Fiscal Court <Bundesfinanzhof> judgement April 25, 2018, I R 59/15)
- Exemption application possible (Art. 50c Income Tax Act)
 - Upfront based on the budget
 - Refund application afterwards

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6. Contact Details

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