

Luxembourg Tax Alert

Good news for summer: Reduced tax rate on capital gains realized on sale of real estate (Temporary regime)

11 July 2016

1. Sale of real estate in Luxembourg

Capital gains arising from a real estate transaction involving one's private wealth, under the condition that the property was held for more than 2 years, would fall to 25% of the global tax rate (i.e. circa 12%/12,5% maximum) for the period starting July 1, 2016 through to December 31, 2017. Nevertheless, the first EUR 50,000 (EUR 100,000 for couples taxed jointly) of gains realised in a period of 11 years remain exempt.

This does not apply to capital gains arising from the sale of the main residence which is fully exempted.

Vente de biens immobiliers au Luxembourg

Les plus-values provenant de la cession de biens immobiliers appartenant au patrimoine privé d'un contribuable, sous la condition que le bien ait été détenu pendant plus de 2 ans, seront imposées à 25% du taux d'imposition global (soit environ 12%/12,5% maximum) pour la période allant du 1er Juillet, 2016 au 31 Décembre 2017. Toutefois, les premiers 50.000 EUR (100.000 EUR pour des couples imposables collectivement) de plus-values réalisées au cours d'une période de 11 ans restent exonérés.

Cela ne concerne pas les plus-values résultant de la vente de la résidence principale, qui sont entièrement exonérées d'impôt.

2. Administrative procedures simplified for the joint taxation of spouses

So far, both members of jointly assessed couples would each receive a notification/letter from the Luxembourg tax authorities regarding any common decisions (tax assessment notice, etc).

From now on, only one notification will be sent to the couple, unless one spouse/partner expressly requests for the individualisation of the notification.

Simplification des démarches administratives pour l'imposition collective des époux

Jusqu'à présent, chaque membre d'un couple (époux/partenaires) imposé collectivement recevait une notification de toute décision commune de la part des autorités fiscales (ex : bulletin d'imposition).

Désormais, une seule notification sera envoyée au couple, sauf si l'un des époux/partenaires demande expressément une notification individuelle.

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