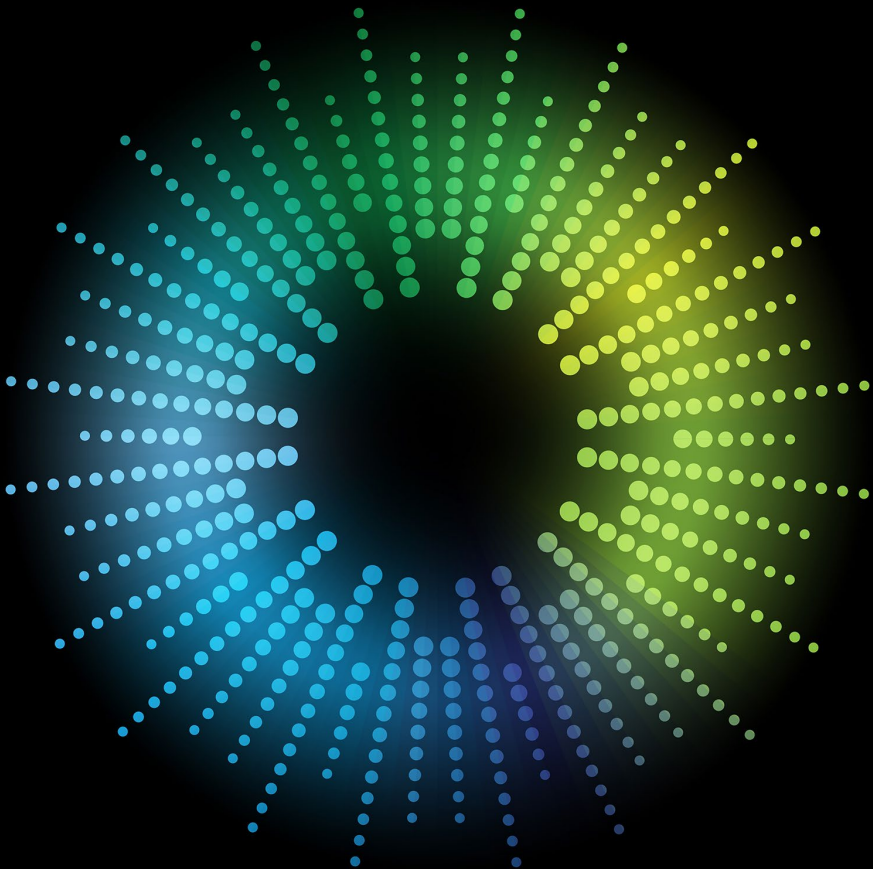


Deloitte.



Investment Tax Credits: benefits
for your business

What's New?

The reform is part of a package of measures (Solidaritéitspak 2.0) agreed upon in 2022 during a tripartite meeting among the Government and the social partners to support the competitiveness of Luxembourg companies.

Taking effect as from January 2024, it introduces two main enhancements to the Investment Tax Credit (ITC):

1. Simplified Tax Credit Increase: The existing tax credit has been streamlined and increased to 12%, eliminating the need for complex calculations of additional investments.

2. New Additional Tax Credit: A new additional tax credit has been introduced for investments and operational expenses in digital transformation or ecological and energy transition, leading to a total potential tax credit of 18%.

Your Guide to the New Additional Tax Credit



Targeted Projects:

- **Digital Transformation:** Achieving an innovative process or an organizational innovation through the implementation and use of digital technologies.
- **Ecological and Energy Transition:** Make impactful changes to reduce your environmental footprint, whether through energy production, consumption, or resource use.



Eligible Investments and Expenses:

This comprehensive approach includes:

- investments in depreciable assets with a life of more than 3 years,
- software/patents acquisition, costs for the use of patents and software, and expenditure on advisory, diagnostic, and technical support services.
- It also covers personnel and training expenses among others, ensuring a wide range of your business activities can benefit.

How to Apply:



Applying for the new additional tax credit involves a straightforward two-step procedure:

1. Obtain an **Attestation of Eligibility** for your investment and operational expenses from the Ministry of Economy.
2. Every year, secure an **Authenticity Certificate** from the Ministry of Economy, confirming the legitimacy of your investments and their alignment with digital or ecological transition objectives, crucial for your tax return

Let Us Help You Innovate and Grow



At the forefront of supporting businesses in Luxembourg, we're here to assist you in leveraging these new incentives. Investing in digital and green transformation not only boosts your competitiveness but also contributes to a sustainable future.

Interested in maximizing your benefits under the new ITC reforms? Contact us today for personalized guidance on making the most of your investments and operational expenses in line with these exciting tax credit.

How can Deloitte help?

Whether you already apply the ITC or have a project in the Digital and Green transition, Deloitte can help you navigate these new rules from a **Tax** perspective but also beyond, with the help of our Digital and our Green Transition **experts** in Luxembourg and abroad.



Advisory

Depending on investments realized, assessment of any other incentives that could be relevant for the company such as investment tax credit, IP Box, grants, etc.



Feasibility

Determining whether the company may benefit from the existing or new incentive.



Eligibility

Analysis of the company's investments and expenses to determine eligibility to the new incentive.



Documentation

With the help of our experts, preparation of a robust file comprising the required documentation to support the request for Attestation of the eligibility.



Process/Compliance

Continuous support for the new ITC benefit and its twofold procedure.
Lux tax compliance

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