

Important information on tax registration when starting an entrepreneurial activity

Dear company founder,

This information sheet is intended to show you the steps you need to take to register your business for tax purposes once you have registered it with the Trade Licensing Office:

Regardless of the legal form of your newly commenced entrepreneurial activity, you are obliged to inform the tax office responsible for you within one month of opening the business or commencing the activity and to provide information on the legal and factual circumstances relevant for taxation (Section 138 (1b) Sentence 1 and (4) of the German Fiscal Code [AO]).

Depending on the legal form, the information is to be provided on the relevant "tax registration questionnaire".

➤ **Activity as a sole proprietor, as a corporation/cooperative, as a partnership/association or as a corporation under foreign law**

If you operate in the form of a sole proprietorship, a corporation/cooperative, a partnership/association or as a corporation under foreign law, you are required to submit the tax registration questionnaire electronically to the tax office.

For this purpose, you can register promptly before commencing your entrepreneurial activity in the service portal of the tax administration "ELSTER - Your Online Tax Office". The registration is one-time, free of charge and does not require any program installation!

Please note that, for security reasons, the access data for successful registration will be provided to you in a two-stage procedure (per email and by post).

After completing the registration process, you will be able to fill out the "Questionnaire for Tax Registration" in "ELSTER - Your Online Tax Office" at www.elster.de under the heading "Forms & Services > All Forms" and submit it electronically to the tax office.

All registration instructions can also be found on the Internet at www.elster.de under the heading "Create user account".

If the requirements for a full registration (ID or domestic tax number) in My ELSTER are not (yet) met, it is possible to register by means of an e-mail address via "Create user account". This type of user account can also be created for a company whose representative you may be acting as and can be used for submitting a corresponding questionnaire for tax registration.

However, this user account can only be used for the submission of a tax registration questionnaire and must be upgraded using the corresponding functionality in My ELSTER after a tax registration and thus a domestic tax number is available. Only then can further forms be used, for example for the legally required electronic transmission of advance VAT returns, annual VAT returns and wage tax returns.

➤ **Exercising the activity in another legal form (e.g. as an association)**

For associations and other corporations under private law within the meaning of Section 1 (1) Nos. 4 and 5 of the Corporation Tax Act (KStG), electronic transmission is unfortunately not yet possible. The fully completed and signed tax registration questionnaire must therefore be sent to the relevant tax office in paper form.

In principle, the questionnaires are available in fillable form on the website of your tax office under the heading "Forms > Other topics from A to Z > Start-ups > Questionnaires for tax registration" or on the website www.formulare-bfinv.de under the heading "Forms A-Z > F > Questionnaires for tax registration".

In addition to the questionnaire, please also send the tax office one copy each of all contracts and documents related to the establishment of the company or the association (e.g. already existing contracts between a company and the shareholder(s) such as rental, lease and/or loan agreements).

➤ **Special features when operating a photovoltaic system**

Regardless of the legal form, additional information is required from operators of photovoltaic systems. For this purpose, the "Questionnaire for the construction and operation of a photovoltaic system with commissioning as of 01.04.2012" must be submitted. It can be found on the websites of the tax offices under the heading "Tax information > Other topics > Photovoltaic systems > Forms".

Since there is currently no secure electronic transmission option for the supplementary questionnaire, it is still requested that it be submitted in paper form.

➤ **Other important notes:**

- ✓ **Registration with ELSTER is always required** - regardless of the legal form of your company - and should be done promptly, as there are legal obligations. These include, for example, the electronic transmission of wage tax returns and advance VAT returns (Section 18 (1) and (3) of the German Turnover Tax Act (UStG), Section 41a (1) of the German Income Tax Act (EStG)), as well as income tax returns

or corporate income tax returns and declarations for the separate determination of the bases of taxation as well as E-balances or revenue and expenses account (EÜR= Einnahmen-Überschuss-Rechnung) attachments (Section 25 (4) of the German Income Tax Act (EStG), Section 60 (4) of the German Income Tax Implementing Regulation (EStDV), Section 31 (1a) of the German Corporate Income Tax Act (KStG), Section 181 (2a) of the German Fiscal Code (AO)).

- ✓ In principle, a tax number can only be assigned and a VAT registration can only be made at the tax office once the completed questionnaire has been submitted to the tax office together with the required documents. The assigned tax number will then be announced by mail.
- ✓ If you apply for a **VAT identification number** (USt-IdNr.) using the above-mentioned "Questionnaire for Tax Registration", the Federal Central Tax Office (BZSt) will be informed after the VAT registration at the tax office. The BZSt will then inform you of your VAT registration number.
- ✓ You can make it easier for yourself to pay your taxes by participating in the **SEPA Direct Debit Scheme**. The form required for the participation declaration with further explanations can be found on the website of your tax office under the heading "Forms > Tax payment > Payment by SEPA direct debit".
- ✓ On the website of your tax office as well as on the website of the Bavarian State Office for Taxes (www.finanzamt.bayern.de/LfSt/), you can find comprehensive information on the topic of setting up a business, on deadlines and dates, as well as on interesting facts about VAT and invoicing.

Yours sincerely

Your tax office

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