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German Tax and Legal News

COVID-19: Relief measures further extended for cross-border commuters between Germany and certain neighboring countries

Relief measures extended until at least 31 March 2021.

As a reaction to the coronavirus (COVID-19), in December 2020 the German Ministry of Finance (MOF) provided additional extensions until at least 31 March 2021 of relief measures for cross-border commuters to or from various neighboring jurisdictions, including Belgium, France, the Netherlands, and Switzerland. In the current environment, and in particular under the current German “lockdown” rules, cross-border commuters may spend more days working from home than under ordinary circumstances, which has the potential to affect the allocation of taxing rights between the residence jurisdiction and the jurisdiction of the regular workplace.

In a mutual agreement dated 11 December 2020, which was published on 21 December 2020, Germany and Belgium announced that the original mutual agreement dated 6 May 2020 regarding the taxation of income earned by cross-border commuters between the two countries is extended until 31 March 2021 and will then automatically be extended each month until the end of the following month if not terminated by one of the parties with a one-week notice period. The 6 May 2020 mutual agreement was previously extended on 20 May 2020, 22 June 2020, and 28 August 2020 (see [GTLN dated 11/12/20](#), [GTLN dated 06/30/20](#), [GTLN dated 05/28/20](#) and [GTLN dated 04/14/20](#)).

For cross-border commuters to and from France, Germany and France signed a mutual agreement on 7 December 2020 and 2 December 2020, respectively, which was published by the MOF on 15 December 2020 and confirms that the original mutual agreement concluded between France and Germany on 13 May 2020 (see [GTLN dated 05/28/20](#)) regarding the taxation of income earned by cross-border commuters between France and Germany is extended until 31 March 2021. After 31 March 2021, the agreement will automatically be extended each month until the end of the following month if not terminated by Germany or France with a one-week notice period. The 13 May 2020 mutual agreement was previously extended on 23 October 2020 (see [GTLN dated 11/12/20](#)).

On 11 December 2020, the MOF published a mutual agreement dated 9 December 2020 that extends the original mutual agreement dated 6 April 2020 between Germany and the Netherlands (see [GTLN dated 04/14/20](#)) to at least 31 March 2021. After 31 March 2021, the agreement will automatically be extended each month until the end of the following month if not terminated by one of the parties with a one-week notice period. The 6 April 2020 mutual agreement was previously extended on 27 October 2020 (see [GTLN dated 11/12/20](#)).

A similar extension of relief measures for cross-border commuters to 31 March 2021 was concluded with Switzerland on 3 December 2020 (see [GTLN dated 12/07/20](#)).

Formal extensions of the agreements with Austria, Luxembourg, and Poland have not yet been announced, but the original agreements (see [GTLN dated 11/12/20](#) and [GTLN dated 12/10/2020](#)) should still be valid due to the fact that they are automatically extended each month if not explicitly terminated.

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