

COVID-19: Upper and lower houses of parliament approve economic stimulus bill

Stimulus bill to enter into force on 1 July 2020.

On 29 June 2020, the upper and lower houses of the German parliament approved the economic stimulus bill that was introduced into the legislative process by the government on 12 June 2020 (see [GTLN dated 15 June 2020](#)). The purpose of the “Second bill on tax relief measures relating to the COVID-19 crisis” is to combat the economic effects of the coronavirus (COVID-19) and to stimulate and reinvigorate the economy. The approved bill includes only minor changes compared to the draft bill.

The stimulus bill includes, among other things, a temporary reduction of the VAT rates (a reduction of the general 19% rate to 16% and the reduced 7% rate to 5%), an increase of the amount of the one-year loss carryback (to EUR 5 million for individual filers and EUR 10 million for corporations), and the introduction of an accelerated depreciation method. In addition, the maximum amount of annual qualifying expenses for the newly introduced R&D tax credit will be increased (to EUR 4 million) and the existing allowance for add-back amounts for local trade tax purposes will be doubled (to EUR 200,000). For a more detailed description of the measures, please see the [GTLN dated 15 June 2020](#).

The law is expected to enter into force on 1 July 2020 after it has been signed by the president and published in the federal gazette.

Diese Mandanteninformation enthält ausschließlich allgemeine Informationen, die nicht geeignet sind, den besonderen Umständen eines Einzelfalles gerecht zu werden. Sie hat nicht den Sinn, Grundlage für wirtschaftliche oder sonstige Entscheidungen jedweder Art zu sein. Sie stellt keine Beratung, Auskunft oder ein rechtsverbindliches Angebot dar und ist auch nicht geeignet, eine persönliche Beratung zu ersetzen. Sollte jemand Entscheidungen jedweder Art auf Inhalte dieser Mandanteninformation oder Teile davon stützen, handelt dieser ausschließlich auf eigenes Risiko. Deloitte GmbH übernimmt keinerlei Garantie oder Gewährleistung noch haftet sie in irgendeiner anderen Weise für den Inhalt dieser Mandanteninformation. Aus diesem Grunde empfehlen wir stets, eine persönliche Beratung einzuholen.

This client information exclusively contains general information not suitable for addressing the particular circumstances of any individual case. Its purpose is not to be used as a basis for commercial decisions or decisions of any other kind. This client information does neither constitute any advice nor any legally binding information or offer and shall not be deemed suitable for substituting personal advice under any circumstances. Should you base decisions of any kind on the contents of this client information or extracts therefrom, you act solely at your own risk. Deloitte GmbH will not assume any guarantee nor warranty and will not be liable in any other form for the content of this client information. Therefore, we always recommend to obtain personal advice.