

Question for written answer E-005882/2017
to the Council
Rule 130
Werner Langen (PPE)

Subject: Amendment of tax rules for non-resident workers in Luxembourg from 1 January 2018

On 1 January 2018, a two-tier tax reform will enter into force in Luxembourg. These new tax rules cover the joint income of many thousands of non-resident married workers who commute on a daily basis from Germany to Luxembourg. This change represents a significant additional tax burden for German commuters, who because of the composition of their income will in future be taxed according to tax category I, instead of tax category II as has hitherto been the case.

This will particularly affect families where only one of the working spouses works in Luxembourg and where this spouse does not earn the lion's share of the joint income (90% rule). In addition, there is unequal treatment of Belgian and other foreign workers as regards taxation. Belgian nationals working in Luxembourg who earn at least 50% of the total joint income are automatically assigned to tax category II.

Does the Council consider the changes in the tax regulations to be an unfair protectionist measure in favour of the Luxembourg labour market?

Does the different tax treatment of Belgians (50% rule) and other commuters (90% rule) constitute discrimination in the European internal market?

What does the Council intend to do to overcome this significant extra burden on non-resident persons employed in Luxembourg and to prevent any potential discrimination before the beginning of 2018?