

Bill Affecting Luxembourg Tax Rulings Issued Before 1 January 2015



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On 14 October 2019, the finance minister presented a bill on the 2020 budget (the “Bill”). The Bill includes inter alia tax provisions, one of which concerns tax rulings.

The Act of 19 December 2014 introduced §29a into the General Tax Act of 22 May 1931 (“GTA”). This provision and its implementing Grand Ducal Regulation of 23 December 2014 essentially govern requests by taxpayers for tax rulings (décisions anticipées) and the issuance of such rulings by the Luxembourg tax authorities as from 1 January 2015. A tax ruling granted under §29a GTA is valid for a period of up to five tax years.

The Bill proposes introducing a new provision in the GTA, namely §29b, which stipulates that tax rulings issued before 1 January 2015, which in most cases do not indicate an end date, will expire by operation of law at the end of tax year 2019. Taxpayers may therefore rely on tax rulings issued before 1 January 2015, which comply with the legislation in force, for their 2019 tax return but not for subsequent tax years.

Taxpayers who wish to do so may request a new tax ruling - applicable for a period which may not exceed five tax years - in accordance with the procedure set out in §29a GTA.

The Bill must now pass through the legislative process and is thus subject to amendment.