

Luxembourg – Information on Residency for tax purposes

Section I – Criteria for Individuals to be considered a tax resident

Individuals are considered resident taxpayers, if they have their tax domicile or normal place of residence in Luxembourg.

Resident taxpayers are liable to income tax on their domestic and foreign income.

Relevant tax provisions: Article 2 of Income Tax Law (“loi concernant l’impôt sur le revenu”)

Section II – Criteria for Entities to be considered a tax resident

Are considered resident taxpayers liable to corporate income tax the following entities provided that they have their legal seat or central administration in Luxembourg:

- 1) capital companies, i.e. public limited companies, private limited companies, partnerships limited by shares and European companies;*
- 2) cooperative societies, cooperative societies in the form of a limited company, European Cooperative Societies and agricultural associations;*
- 3) religious congregations and associations, whether they are recognized or not by the government, regardless of their legal form;*
- 4) mutual insurance associations, pension savings associations (association d’épargne-pension - assep) and pension funds within the meaning of the law of 6 December 1991 on the insurance sector, as amended;*
- 5) institutes of public interest and other public utility foundations;*
- 6) not for profit associations;*
- 7) other private collective entities whose income is not directly taxable in the hands of other taxpayers;*
- 8) specially assigned assets, and intestacies;*
- 9) commercial, industrial or mining undertakings owned by the State, local authorities (communes) or associations of local authorities, public establishments and other public law legal entities.*

Resident taxpayers are liable to corporate income tax on their worldwide income.

Relevant tax provisions: Article 159 of Income Tax Law (“loi concernant l’impôt sur le revenu”)

Section III – Entity types that are as a rule not considered tax residents

Entities listed in article 159 of Income Tax Law that have neither their legal seat nor their central administration in Luxembourg are considered non resident taxpayers.

Non-resident taxpayers are liable to corporate income tax only on their Luxembourg-source income.

Relevant tax provisions: Article 160, paragraph 1 of Income Tax Law (“loi concernant l’impôt sur le revenu”)

Section IV – Contact point for further information

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