

## Luxembourg - Information on residency for tax purposes

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

*Are liable to income tax: Resident taxpayers, i.e. physical persons who have their tax domicile or normal place of residence in Luxembourg on their domestic and foreign taxable income.*

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

*Resident companies are defined for tax purposes as companies that have their legal seat or central administration in Luxembourg. Corporate income tax is levied on worldwide income and capital gains of resident companies.*

#### *Taxable corporations*

*The legal form of a corporation (legal person) is not the decisive factor for taxation. In general, any economic entity realising income that is not directly taxable in the hands of the partners or members is subject to corporation tax.*

*The law has specifically listed the following collective entities:*

- 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.*

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

*Non-resident companies are defined for tax purposes as companies that do not have their legal seat or central administration in Luxembourg. Corporate income tax is levied on Luxembourg-source income*

*and capital gains of non-resident companies.*

**Section IV – Contact point for further information**

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*[http://www.impotsdirects.public.lu/legislation/memento/Memento14\\_EN.pdf](http://www.impotsdirects.public.lu/legislation/memento/Memento14_EN.pdf)*

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