



2023 Budget: measures announced

Recently, a draft bill was introduced concerning the Government's revenue and expenditure estimates for the 2023 fiscal year. Below are the key actions to consider.

Increasing the social Wage Minimum Tax Credit (CISSM) thresholds:

In preparation for the increase in the social minimum wage on January 1, 2023, the current income ranges for receiving the tax credit will be increased. Currently, the tax credit is EUR 70 per month and only applies to employees whose gross monthly salary is between EUR 1,500 and 2,500. The eligible income range is expected to increase to **EUR 1,800 to EUR 3,000**.

Increasing of the alone-parent tax credit

Single parents with dependent children are currently entitled to a yearly tax credit ranging from EUR 750 to EUR 1,500 depending on their level of income. To support these people, the maximum annual amount of the single parent tax credit should be increased to **EUR 2,505**. The earnings annual ceiling for the maximum tax credit will be increased from EUR 35,000 to **EUR 60,000**.

Relaxation of the eligibility conditions for the impatriate tax regime

Since January 1, 2021, on the basis of article 115.13b L.I.R, in order to benefit from the tax regime for impatriates, the incoming employee must claim a minimum remuneration of EUR 100,000 per year (excluding benefits in kind or in cash). On the basis of the draft law, this annual threshold will be lowered to **EUR 75,000 per year**.

Profit-sharing scheme : Consideration of group results to calculate the 5% limit

In order to give more flexibility to groups of companies resident in Luxembourg which employ their employees at the level of different entities within a group, but whose results are consolidated at the level of the Luxembourg parent company, it is proposed to allow to consider, for the calculation of the 5% limit, the positive algebraic sum of the results of the members of a fiscally integrated group, instead of the positive result of the financial year for each company taken individually.



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