



## GOVERNMENT APPROVES A SIGNIFICANT REDUCTION OF THE TAX BURDEN

The Chamber of Deputies has approved the "Entlaaschtungs-Pak" bill, a significant tax reform package comprising 17 measures designed to benefit households, businesses, and the financial sector. This initiative reflects the government's goal to reduce tax burdens, improve economic competitiveness, and attract talent to Luxembourg.

For households, the reform introduces adjustments to the income tax scale and tax exemptions for single-parent families earning up to 52,400 € annually, as well as for minimum social wage earners. These changes are expected to provide tangible financial relief, especially to lower-income households.

Businesses will see a reduction in the corporate tax rate by one percentage point starting in 2025, alongside an exemption for ETFs, which aims to bolster the financial center's global appeal. Measures such as recruitment incentives and tax credits for cross-border overtime also highlight a focus on fostering employment and retaining talent.

This reform package offers opportunities for both individuals and businesses to reevaluate their financial strategies in light of these changes.

For more information about our services please visit our website or contact us directly.

