

Changes to Germany's 'church tax' prompts exodus

Posted: Mon, 8th Sep 2014

Hundreds of thousands of German tax-payers are leaving their officially designated religions to avoid paying a 'church tax' levy on capital gains.

In 2010 officials estimates that 70% of church revenues come from 'church tax', which has until now been applied directly on top of German citizen's income tax – where they are members of 'church tax'-collecting denomination.

When registering for a German Tax ID, applicants need to specify if they belong to one of the 'church tax'-collecting denominations. In the case of some nationalities or if they have been baptised, the Finanzamt (federal tax office) will assume an individual's religion and deduct the tax unless they opt-out. The tax takes the form of a levy (typically 9%) of any tax paid.

A range of religious communities benefit from the tax, but the changes predominantly affect Roman Catholics and Protestants as other smaller religious groups choose to collect taxes themselves to save government collection fees.

The 'church tax' premium dates back to the 19th century and has always, officially, also applied to capital gains tax – but until now this has largely been unenforced as the majority of the 'church tax' comes from payroll deductions. From January the tax will be applied directly by banks on capital gains tax. In preparation for this change, banks have written to their customers to find out their religion. Although official figures are not available, Catholic and Protestant dioceses have [reported](#) up to a 50% increase in the numbers of people officially deregistering, in the run up to the changes.

Some clergy believe that banks are encouraging their customers to leave their Church in order to reduce their administration. However Thomas Lange, of the local banking association in Duesseldorf, said: "The churches are trying to get off easy. They should ask themselves why such a personal decision as belonging to a church is reduced to the issue of capital gains tax".

Pensioners who rely on savings are said to make up a disproportionate number of those deregistering. Renate Müller, a retiree from Frankfurt, told the [Wall Street Journal](#) that she and her husband left the Protestant church after their bank told them they would need to pass on their religious affiliation and begin deducting the tax on income from their retirement fund.

Under Germany's corporatist welfare system, religious organisations among others receive state subsidies, and direct payroll contributions, for delivering public services. Although the state cannot enforce payment, the Leipzig Federal Administrative Court have ruled that churches can deny services such as marriages and funerals to individuals who don't pay the tax. German Catholics who don't pay the tax may also be legally blocked from working in state-funded Catholic schools and hospitals.

Some other European countries which have retained a form of 'church tax', such as Italy and Spain, allow taxpayers the option of contributing to a social aid program instead, but this is not an option in Germany.

- [Share on What's App](#)
- [Share on Facebook](#)
- [Share on Twitter](#)
- [Share on Email](#)
- [Subscribe to RSS Feed](#)

Tags: [Disestablishment](#)

Related Campaigns

-

[**Disestablish the Church of England**](#)

A state religion has no place in a 21st century democracy.

[Read More](#)

Related Articles

[**NSS announces major conference on protecting liberal values**](#)

Kenan Malik, Joan Smith and more speaking at NSS Secularism 2024 conference in London. [Read More »](#)

[**New extremism definition may put free speech at risk, NSS warns**](#)

Proposed definition could 'label secularists as extremists'. [Read More »](#)

[**A state Church is no bulwark against extremism – but secularism is**](#)

With its commitment to the separation of religion and state and safeguarding the rights of all individuals, secularism can provide an effective defence against the spread of extremism, says Stephen Evans. [Read More »](#)

Report: CofE safeguarding “below standards” of secular institutions

Most victims and survivors unsatisfied with safeguarding approaches, while safeguarding 'weaponised' to remove those "seen as a nuisance", report finds. [Read More »](#)

Resist calls for £50m a year for churches, NSS urges minister

Churches trust also calls for churches to host NHS services. [Read More »](#)