

Information on the annual statement (163RF form or 163NRF form)

As provided for in income tax law and announced by the tax authorities, all workers, **even non-Luxembourg residents**, can benefit from a range of tax deductions in Luxembourg when they file a tax return (100F form, for example). However, where employees are not required to file a tax return, they may reclaim tax withheld by another means: a form known as an annual statement, or décompte annuel (163RF or 163NRF).

The purpose of the annual statement is to reclaim any excess income tax withheld. Some circumstances can force employers to use a monthly tax scale that is higher than that applicable for yearly income tax.

Filing this form may be to the advantage of the following persons:

- students who entered the workforce during the fiscal year;
- employees or pensioners who received variable or no monthly payments for periods during the fiscal year;
- non-resident employees who worked in Luxembourg for a period of fewer than nine successive months during the fiscal year, in which case the taxpayer must also declare all foreign-earned income on the annual statement.

The tax office will proceed to establish a rate of taxation for the annual taxable income based on the information it receives, and check whether this rate is lower than the monthly rate applied by the employer. If so, the taxpayer will receive a refund.

In addition, employees can list certain tax-deductible expenses on the annual statement, such as workplace expenses (*frais d'obtention*), special expenses (*dépenses spéciales*) and other extraordinary costs (childcare costs, in-home service fees, fees linked to divorce proceedings, alimony payments, etc.). They can also use it to claim a dependent child tax allowance via the single parent tax credit.

However, if the taxpayer wishes to deduct interest expenses on a mortgage loan for their primary residence, they must file an annual tax return (100F form) for the purpose of establishing a rate of taxation on the basis of a tax assessment.



An annual statement may only be filed to claim a tax refund. It should be sent to the Luxembourg tax office responsible for the employee's place of residence no later than 31 December of the year following the fiscal year in question. Unlike with a tax return, the tax authorities do not respond with a tax statement (*bulletin d'imposition*) when an annual statement is filed.

It is always wise to contact your account manager to verify whether any special rules apply to your particular situation.

