

Fact sheet regarding VAT on international passenger transport services using buses or coaches that are not registered in the Federal Republic of Germany

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I. Introduction

- 1 This fact sheet is published by the German Federal Ministry of Finance in consultation with the highest revenue authorities of the *Länder* (federal states). It provides information for you, as a business that operates international passenger transport services using buses or coaches that are not registered in the Federal Republic of Germany, regarding VAT and your associated obligations.
- 2 Passenger transport services using buses or coaches are generally subject to VAT (for exceptions to this rule, see paragraphs 42–45). This applies to both regular and occasional passenger transport services (cf. paragraphs 3 and 4).
In this context, it is not relevant whether
 - the transport operation is performed by a German or a foreign business,
 - the passengers are citizens of Germany or of a foreign country,
 - the passengers are youths, adults or seniors.
- 3 In the case of a passenger transport service that spans both the territory of the Federal Republic of Germany as well as the territory of other countries, only the part of the service that takes place on German territory is taxable in the Federal Republic of Germany. As the business providing the service, you are always the party liable to pay the tax on taxable passenger transport services using buses or coaches; taxation is generally carried out by a tax office using the general taxation procedure (cf. paragraphs 11 and 15–20).
- 4 Only in the case of occasional passenger transport services (cf. paragraph 9) is the taxation carried out at Germany's borders to non-EU countries (third-country border, cf. paragraph 10) by a customs office in the form of a journey-specific VAT assessment (*Beförderungseinzelbesteuerung*) when the vehicle crosses the border.
- 5 If you are a business resident in the EU which operates passenger transport services using buses or coaches in exchange for remuneration for private individuals in a different EU Member State, then for periods after 1 July 2021 you can also decide to participate in the special scheme pursuant to Title XII Chapter 6 Section 3 of the VAT Directive¹ (known as the One Stop Shop – Union scheme), cf. paragraphs 21–23 and 31.
- 6 If you are a business not resident in the EU and you operate passenger transport services using buses or coaches in exchange for remuneration for private individuals in an EU Member State, then as of 1 July 2021 you can also decide to participate in the special scheme pursuant to Title XII Chapter 6 Section 2 of the VAT Directive (known as the One Stop Shop – non-Union scheme).
- 7 If you opt for Germany as the Member State of identification, the taxation is carried out in a One Stop Shop procedure at the Federal Central Tax Office (Bundeszentralamt für Steuern), cf. paragraphs 24–29 and 31. If you opt for another EU Member State as the Member State of identification, then the taxation is carried out in this Member State.

¹ Council Directive 2006/112/EC

II. Definitions

- 8 (1) **Regular transport services** are defined as regularly scheduled passenger transport operations on approved transport routes between a specific departure point and a specific terminus; on these routes, passengers may board or exit the vehicles at specific stops. Authorisation from each country that forms part of the respective route must be carried on board the vehicle.
- 9 (2) **Occasional transport services** are defined as those transport services that are not classified as regular transport services. These include:
- 1 **Tourist excursions**; journeys offered and carried out by a provider in accordance with a specific plan prepared by the provider and for a joint purpose that is identical for all participants.
 - 2 **Holiday trips**; trips for stays at recreational destinations that are planned, offered and carried out by a provider. The provider charges a total consideration that includes transport and accommodation, including or excluding meals.
 - 3 **Journeys with hired buses or coaches**; the transport of passengers in hired buses or coaches used by a provider to carry out journeys whose purpose, destination and schedule are determined by the hirer of the vehicle. For transport services requiring authorisation, the authorisation for each respective journey must be carried on board the vehicle. For transport services that are exempt from authorisation, a fully completed journey form must be carried on board.
- Transport services classified as **shuttle services** in bilateral agreements with third countries constitute **occasional transport services**.
- 10 (3) A **third-country border to the Federal Republic of Germany** is a border to a country that is not a member of the European Union (i.e. the borders between Switzerland and Germany and at seaports).

III. Passenger transport services that use buses or coaches not registered in the Federal Republic of Germany in accordance with road traffic law and that do not cross a third-country border upon entry to or exit from the Federal Republic of Germany

In general, the following rules apply to you with regard to the taxation of these passenger transport services:

1. Registration obligation if the general taxation procedure is chosen

- 11 (1) If your business is resident in a foreign country and you operate cross-border personal transport services with buses or coaches that are not registered in Germany, you must register for tax purposes with the tax office that is responsible for you before the first time you operate these personal transport services in the Federal Republic of Germany.

The following forms are available for the registration:

FsEAusUN	VAT registration form for non-resident businesses
FsEEBIPersb	Supplement to the VAT registration form for non-resident businesses (passenger transport services)

You can also download these forms from the website <https://www.formulare-bfinv.de/ffw> using the form IDs 034800 and 034801.

12 (2) If you participate in the special scheme pursuant to Title XII Chapter 6 Section 3 of the VAT Directive (One Stop Shop – Union scheme) or in the special scheme pursuant to Title XII Chapter 6 Section 2 of the VAT Directive (One Stop Shop – non-Union scheme), it is not necessary to register with a tax office (see paragraphs 21–29 and 31 in this respect).

2. Competent tax office

13 If you operate your transport company from a location in the Federal Republic of Germany, the tax office in whose jurisdiction your company's operations are based is responsible for the general taxation procedure and for the registration of cross-border passenger transport services with buses or coaches. If your domicile, head office or place of management is located in a foreign country, the competent tax office can be determined by referring to the **Annex to the Federal Ministry of Finance circular of 5. March 2024**. The Federal Central Tax Office is responsible for the special taxation procedure in the One Stop Shop scheme (cf. paragraphs 21–29). The special taxation procedure is only available to you if you provide passenger transport services to private individuals.

3. Tax base and tax rate

14 The VAT tax base is the portion of the agreed fare less VAT (remuneration) which corresponds to the segment of the journey travelled in Germany. You can calculate the portion of the fare that relates to the segment of the journey in Germany on the basis of the total price. The total fare must be divided up proportionally in accordance with the distance travelled within Germany and the distance travelled outside Germany. The tax rate is generally 19%. The reduced VAT rate of 7% applies to authorised regular transport services if the transport route in Germany does not exceed 50 kilometres.

4. General taxation procedure

15 The VAT charged on the part of the transport route travelled in Germany is generally collected using the general taxation procedure. To this end, please send the provisional VAT returns and an annual VAT return to the tax office that is responsible for you. Please follow the procedures described below.

a) Provisional VAT returns

16 (1) You must file provisional VAT returns within 10 days after the end of the respective provisional VAT return period. Returns must be submitted electronically to the tax office that is responsible for you, and the party submitting the data must be authenticated (see section 18 (1) sentence 1 of the VAT Act²). You can obtain more detailed information from the competent tax office (see paragraph 13). You can find more information about filing returns electronically on the following website: <https://www.elster.de/>.

17 (2) The provisional VAT return period is normally the calendar quarter. However, if your VAT liability exceeded €7,500 in the previous calendar year, the provisional VAT return period is the calendar month. If your VAT did not exceed €1,000 in the previous year, the tax office may exempt you from the requirement to submit provisional returns and make prepayments.

18 (3) The provisional return must include all transactions carried out in Germany. You can deduct the input VAT connected with your transactions from the calculated VAT amount. The calculated prepayment is due on the 10th day after the end of the

provisional VAT return period. You must transfer the prepayment to the tax office by then.

- 19 (4) You can apply to extend the deadlines for filing provisional VAT returns (see paragraph 16) and making VAT prepayments (see paragraph 18) by one month (see section 46 of the VAT Implementing Ordinance³). You must submit this application for a permanent filing extension electronically (see section 48 (1) sentence 2 of the VAT Implementing Ordinance). If the provisional VAT return period is the calendar month (paragraph 17), the permanent filing extension will only be granted if an annual special prepayment is declared and paid to the tax office (see sections 47 and 48 (2) of the VAT Implementing Ordinance). You can only use the filing extension if the tax office does not reject your application. The filing extension applies until you no longer wish to use it or until the tax office retracts it (see section 46 of the VAT Implementing Ordinance).

b) VAT return

- 20 In addition to the provisional VAT return, after the end of the calendar year you are required to file a VAT return with the competent tax office (see paragraph 13) by 31 July of the following year. Returns must be submitted electronically, and the party submitting the data must be authenticated (see section 18 (3) sentence 1 of the VAT Act). Further information is available at: <https://www.elster.de/>. You must include all transactions carried out in Germany in the VAT return. You can deduct the input VAT connected with your transactions from the calculated VAT amount. If a final payment needs to be paid on the basis of the VAT return, this payment becomes due, and needs to be paid, one month after the annual VAT return has been received.

5. Special taxation procedure (One Stop Shop scheme)

- 21 If you are taking part in the One Stop Shop scheme (see paragraphs 5–7), the VAT is collected in a special procedure. Please send the special tax returns to the competent tax authority of the respective Member State. Please follow the procedure described below if Germany is your Member State of identification.

a) One Stop Shop, Union scheme

aa) Registration

- 22 If you are a business resident in the European Union (with the exception of the Federal Republic of Germany) and wish to participate in the special scheme, you must apply to take part in your country of residence. If you are a business resident in Germany and you wish to participate in the special scheme, you can apply to take part by submitting an application electronically to the Federal Central Tax Office, making sure to quote your VAT identification number. In Germany, the Federal Central Tax Office's online portal BOP is available for this purpose. If you are already registered for the predecessor system, the Mini One Stop Shop (MOSS), then you will automatically participate in the One Stop Shop scheme. Your participation generally applies uniformly to all EU Member States. The first day of the calendar quarter following the date that the application was submitted counts as the beginning of the registration. If, however, you have your headquarters or a permanent establishment in an EU Member State, your transactions in this Member State cannot be declared via the One Stop Shop Union scheme. Therefore, the personal transport services relating to Germany must be declared in the general taxation procedure (cf. paragraphs 15–20) if you are a business resident in Germany.

bb) Tax return

- 23 In the tax return, please provide your One Stop Shop-registration number, the tax period and the transactions that are covered by the special scheme, listed separately for each Member State.
Even if you haven't carried out any transactions in the respective calendar quarter, you still need to submit a tax return (known as a "nil return") by the respective deadlines (30 April, 31 July, 31 October, and 31 January of the following year).
You cannot deduct any input VAT from the calculated VAT. However, you may use the input tax refund procedure to apply for the reimbursement of input tax if the input tax was connected to a transport operation that was covered by the special procedure and for which the tax was paid.
Information on the input tax refund procedure may be obtained from the Schwedt/Oder branch of the Federal Central Tax Office (address: Passower Chausee 3b, 16303 Schwedt/Oder; tel.: +49 228 406 1200; fax: +49 228 406 3200; website: <https://www.bzst.de>).
The calculated VAT is due by the end of the month following the end of the taxation period (calendar quarter). It must be paid to the Federal Central Tax Office or to the revenue authorities in your Member State of identification by that date.

b) One Stop Shop, non-Union scheme

aa) Registration

- 24 If you are a business that is not resident in the European Union and wish to take part in the special scheme, you must apply to participate in an EU Member State of your choice. In Germany, you can do this electronically with the Federal Central Tax Office, provided you have chosen Germany as your Member State of identification. In Germany, the Federal Central Tax Office's online portal BOP is available for this purpose. The first day of the calendar quarter following the date that the application was submitted counts as the beginning of the registration.

bb) Tax return

- 25 (1) The tax return is due by the end of the month following the end of the taxation period (calendar quarter). It must be submitted electronically to the Federal Central Tax Office or to the revenue authorities in your chosen Member State of identification by that date. The Federal Central Tax Office can provide you with more information in this respect. You can find more information about filing returns electronically on the following website: <https://www.bzst.de>.
- 26 (2) In the tax return, please provide your One Stop Shop-registration number, the tax period and the transactions that are covered by the special scheme, listed separately for each Member State. You must provide the following information in each case:
- Total sales (to private consumers) excluding tax
 - VAT type (standard/reduced)
 - Tax rate
 - Tax amount (calculated automatically)
 - Total tax debt (calculated automatically)
 - Details of any corrections to previous tax periods
- 27 Even if you haven't carried out any transactions in the respective calendar quarter, you still need to submit a tax return (known as a "nil return") by the respective deadlines (30 April, 31 July, 31 October, and 31 January of the following year). No input VAT amounts are taken into account in the One Stop Shop scheme. However, you may use the input tax refund procedure to apply for the reimbursement of input tax if the input tax was connected to a transport operation that was covered by the

- special procedure and for which the tax was paid. Information on the input tax refund procedure may be obtained from the Schwedt/Oder branch of the Federal Central Tax Office (address: Passower Chausee 3b, 16303 Schwedt/Oder; tel.: +49 228 406 1200; fax: +49 228 406 3200; website: <https://www.bzst.de>).
- 28 The calculated VAT is due by the end of the month following the end of the taxation period (calendar quarter). It must be paid to the Federal Central Tax Office by that date.
- 29 If you are taking part in a One Stop Shop scheme in a different Member State (see note in paragraphs 21 and 23), the obligations contained in paragraphs 15–20 do not apply in Germany.

6. Consequences of failure to comply with tax obligations

- a) General taxation procedure
- 30 If you do not submit a provisional VAT return or the VAT return (cf. paragraphs 16–20), the tax office has the option of estimating the VAT tax base. If you do not submit a provisional VAT return or the VAT return, or you do not submit it by the deadline, the tax office may set a late-filing penalty pursuant to section 152 (1) of the Fiscal Code (*Abgabenordnung*). In the event of a late payment, a late-payment penalty of 1% of the outstanding tax amount (rounded down) is calculated for each month or part of a month that the payment is late.
- b) One Stop Shop scheme
- 31 If you repeatedly fail to comply with, or fail to comply with in time, your obligations under the special schemes pursuant to Title XII Chapter 6 Section 3 of the VAT Directive (One Stop Shop – Union scheme) or pursuant to Title XII Chapter 6 Section 2 of the VAT Directive (One Stop Shop – non-Union scheme), then the revenue authority to which you notified your participation in the special taxation procedure can exclude you from the taxation procedure.

IV. Passenger transport services that use buses or coaches not registered in Germany in accordance with road traffic law and that cross a third-country border (i.e. the borders between Switzerland and Germany and at seaports) upon entry to or exit from the Federal Republic of Germany

1. Regular transport services

- 32 For the taxation of regular transport services, the explanations provided in paragraphs 11–31 apply accordingly as regards the tax base, tax rate, competent tax office and taxation procedure.

2. Occasional transport services

33 The following rules apply to the taxation of occasional transport services that use buses or coaches not registered in the Federal Republic of Germany in accordance with road traffic law and that cross a third-country border upon entry to or exit from the Federal Republic of Germany:

A. Journey-specific VAT assessment procedure

a) Competent authority

34 Taxation of your transactions is carried out at the third-country border by the competent customs office when you enter or exit the Federal Republic of Germany across a third-country border. In this context, the customs office acts on behalf of the tax office in whose jurisdiction it lies.

b) Tax base and tax rate

35 For purposes of simplification, your VAT liability is calculated on the basis of an average transport price under the journey-specific VAT assessment procedure. The average transport price is set at **4.43 cents per passenger-kilometre**. Thus, at a rate of 19%, the payable VAT amounts to **0.84 cents** per passenger-kilometre travelled in the Federal Republic of Germany. The applicable number of passenger-kilometres is determined by multiplying the number of passengers by the number of kilometres travelled in Germany (the route actually driven in Germany).

c) Taxation procedure

36 (1) For each individual journey, you must submit a tax return in duplicate to the local customs office at the third-country border upon entry to Germany. The customs office, which also provides you with the tax return forms, determines the tax and notes the amount on both copies. You can also download the tax return forms from the website <https://www.formulare-bfinv.de/ffw> using the form ID 2603. Once you have paid the tax, you will receive a copy of the form with a payment receipt. You must keep this copy, together with the receipt, on board the vehicle during the journey. When exiting the Federal Republic of Germany **via a third-country border**, you must submit an additional tax return at the local customs office if the number of passenger-kilometres has changed.

37 (2) If you wish to lodge an objection to the tax determined by the customs office, you must do so within one month. If the customs office does not agree with the objection, or only partly agrees with the objection, the case undergoes further processing by the tax office in whose jurisdiction the customs office is located.

38 (3) The journey-specific VAT assessment procedure does not take input taxes into account. However, you may use the input tax refund procedure to apply for the reimbursement of input tax if the input tax was connected to a transport operation that was subject to journey-specific VAT assessment. Information on the input tax refund procedure may be obtained from the Schwedt/Oder branch of the Federal Central Tax Office (address: Passower Chausee 3b, 16303 Schwedt/Oder; tel.: +49 228 406 1200; fax: +49 228 406 3200; website: <https://www.bzst.de>).

39 (4) Instead of using the journey-specific VAT assessment procedure, you may, after the end of the calendar year, also re-declare your passenger transport services to the competent tax office (see paragraph 13) using the general taxation procedure (VAT return, see paragraph 20). In this case, you calculate the VAT based on the fare price that corresponds to the route travelled in Germany (see paragraph 14). You should deduct the input VAT connected with your

transactions from the calculated VAT amount. This does not apply to input VAT that you have already been reimbursed under the input tax refund procedure. The VAT that you have already paid at third-country borders is credited against the resulting tax amount. Any surplus VAT paid will be refunded to you. You must document the amount of VAT to be credited by submitting all the tax assessment notices that you have received under the journey-specific VAT assessment procedure.

B. Special taxation procedure (One Stop Shop scheme)

- 40 (5) If you participate in a One Stop Shop scheme (cf. paragraphs 21–29), you must, when entering Germany via a third-country border, mention the special taxation procedure in the section for “**other information**” on the tax return form when you submit it at the local customs office. In these cases, the tax is not determined. You will receive a copy of the form with the tax calculation and determination scored out. You must also report to the customs office once more when you are leaving the Federal Republic of Germany via a third-country border. If you paid tax amounts under the journey-specific VAT assessment procedure **before** participating in the One Stop Shop scheme, it is not possible to credit these tax amounts against tax in the special taxation procedure.
- 41 (6) No input VAT amounts are taken into account in the One Stop Shop scheme. However, you may use the input tax refund procedure to apply for the reimbursement of input tax if the input tax was connected to a transport operation that was covered by the special procedure and for which the tax was paid. Information on the input tax refund procedure may be obtained from the Schwedt/Oder branch of the Federal Central Tax Office (address: Passower Chaussee 3b, 16303 Schwedt/Oder; tel.: +49 228 406 1200; fax: +49 228 406 3200; website: <https://www.bzst.de>).

V. Exemptions from the taxation of passenger transport services

- 42 (1) Passenger transport services are exempt from taxation if they are operated
- **free of charge** or
 - they are operated by a party using its own buses or coaches that are **not part of a business**.
- For example:**
if cultural organisations (e.g. theatre or music groups, choirs, etc.), school or youth groups, or members of foreign associations travel in buses or coaches that belong to the organisation, school or association, it is generally assumed that the passenger transport services are not being carried out as part of a business. You need to prove this by showing the registration documents for the bus or coach.
- 43 (2) If the organisation, school or association rents a bus or coach and subsequently carries out a journey using its own driver, in its own name, and on its own responsibility and account, this is not deemed a passenger transport service that is liable for VAT. Please provide proof of this using receipts and documents which provide unambiguous evidence of the legal relations between the respective parties. In this context, it is also significant if the driver of the bus or coach is employed and paid by the business that rents out the vehicle or if the rental contract involves provision of a manned vehicle. If this is the case, it can generally be assumed that the transport is being carried out by the bus company and that the transaction fulfils the criteria for a taxable passenger transport service.
- 44 (3) The customs officers on the ground will decide whether the documentation you present is sufficient to prove that your transport operation is exempt from VAT. Therefore, in order to ensure that your case is processed quickly and correctly, please

carry the rental contract – including, where appropriate, a German translation – on board the vehicle. The contract must clearly state which services are being provided by the rental company. If you are unable to present this documentation to the customs office, a tax assessment notice will be prepared stating the VAT that is payable. Therefore, to simplify processing, parties renting buses or coaches are advised to have their case reviewed by the competent tax office before the passenger transport takes place. The renting party should apply to the tax office for certification that the transport operation is exempt from VAT. You should present this certification to the customs office as proof.

- 45 (4) However, even if the passenger transport operation is assumed to be VAT-exempt, a rental service provided by a business that operates from a third-country location remains subject to VAT. This only applies if the rented vehicle is used in Germany. This taxation is then carried out using the general taxation procedure (see paragraphs 15 – 20).

VI. Further information

- 46 If you have any questions that are not answered by this fact sheet, you can obtain further information from the relevant tax offices (see the annex to the Finance Ministry circular of 5. March 2024, Federal Tax Gazette I, p. XX), the Schwedt/Oder branch of the Federal Central Tax Office regarding the One Stop Shop Union scheme and non-Union scheme (address: Passower Chaussee 3b, 16303 Schwedt/Oder; tel.: +49 228 406 1200; fax: +49 228 406 3200; website: <https://www.bzst.de>) and the Central Customs Authority's Customs Information Centre (address: Postfach 10 07 61, 01077 Dresden, tel.: + 49 351 44834 520, fax: +49 351 44834 590, e-mail: info.gewerblich@zoll.de). Please note that you can also receive assistance from professional tax advisors.