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Second Residence Tax (Zweitwohnsitzsteuer) — When It Applies and How to Avoid It

What second residence tax is, who must pay it, and how you can legally avoid it.

Deutsche Begriffe: Zweitwohnsitzsteuer | Zweitwohnung | Hauptwohnsitz | Nebenwohnung | Meldepflicht

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What is Zweitwohnsitzsteuer?

Zweitwohnsitzsteuer (also called Zweitwohnungssteuer) is a municipal tax you must pay if you have a **Nebenwohnung** (second residence) in addition to your **Hauptwohnsitz** (primary residence). Not all cities levy this tax — but increasingly more are doing so.

The tax is designed to prevent people from registering in a cheaper municipality as their primary residence while actually living elsewhere. This is because your Hauptwohnsitz determines which municipality receives your **income tax share**.

Who Must Pay Zweitwohnsitzsteuer?

You pay the tax if you:

- Are registered in a city **as your Hauptwohnsitz** AND
- Have a **Nebenwohnung** in **another city** (that levies this tax)

Typical Situations

- **Commuters** — Primary residence with family, second residence at workplace
- **Students** — Primary residence with parents, room in university city
- **Weekend commuters** — Work in one city, family in another

• **Holiday apartment** — Your own holiday residence in a tourist city (even if you rarely live there!)

Exemptions (varies by city)

• **Married persons** — Second residence for professional reasons is **exempt** in many cities (according to 2005 BVerfG ruling)

• **Persons under 18** — no tax in most cities

• **Nursing home residents** — often exempt

• **Low-income students** — some cities offer reductions

How Much is the Tax?

Zweitwohnsitzsteuer typically amounts to **5–18% of annual net rent**:

City	Tax Rate
München	9% of net rent
Berlin	15%
Hamburg	8%
Köln	10%
Frankfurt	10%
Düsseldorf	10%
Konstanz	18% (one of the highest)
Freiburg	12%
Dortmund	12%

Calculation Example

Second residence in Berlin, net monthly rent €600:

• Annual rent: 600 × 12 = **€7,200**

• Berlin tax rate: **15%**

• Zweitwohnsitzsteuer: 7,200 × 0.15 = **€1,080/year** (= €90/month)

For owned property: Instead of rent, the **imputed rent** (locally comparable rental value) is used.

Registration and Payment

When Must I Register?

When you occupy a Zweitwohnung, you must register with the **registration office within 14 days** (Meldepflicht). The registration office then notifies the tax office.

Tax Assessment Notice

- The tax office sends you a **tax assessment notice**
- The tax is usually levied **annually** or **quarterly**
- Payment via **bank transfer** or **direct debit**

What Happens if I Don't Register?

- **Fine** for violating Meldepflicht (up to €1,000)
- **Back taxes** for all missed years
- **Tax evasion** if intentional non-registration (criminal consequences)

How Can I Avoid the Tax?

1. Make Your Second Residence Your Primary Residence

Register your Zweitwohnung as your **Hauptwohnsitz** — then no tax applies. **Note:** Your Hauptwohnsitz determines:

- **Competent tax office**
- **Voting rights** (municipal elections)
- **Vehicle registration**
- **Child allowance office**

2. Deregister the Apartment

If you no longer need the Zweitwohnung → deregister.

3. Request an Exemption

In many cities, you can request an **exemption**:

- For **low income** (below a certain threshold)

• For **professionally required second residence for married persons** (BVerfG ruling)

• For **students** (in some cities, e.g., if parents provide the apartment)

4. Deduct Tax as Business Expenses

If the Zweitwohnung is **professionally required**, you can deduct the tax as **business expenses** on your tax return (dual household, § 9 EStG):

• Requirement: separate **household** at primary residence

• Maximum **€1,000/month** for workplace accommodation deductible

• Also **commuting costs** for weekly trips home are deductible

Zweitwohnsitzsteuer and Foreigners

Common Situations

• **New immigrants** — Primary residence in home country, apartment in Germany → Usually no Zweitwohnsitzsteuer, as the German apartment is your **only residence in Germany** and counts as Hauptwohnsitz

• **Family in another city** — Partner in City A, work in City B → Zweitwohnsitzsteuer in City B possible (often exempt for married persons)

• **Foreign students** — Apartment in university city is your **Hauptwohnsitz** → no tax

Tip

Always register your **first residence in Germany** as your **Hauptwohnsitz**. Only if you later take a **second apartment** in another city does Zweitwohnsitzsteuer become relevant.

Frequently Asked Questions

Do I Pay Tax on a Holiday Apartment Too?

Yes — if the holiday apartment is in a city that levies Zweitwohnsitzsteuer and you use it for yourself (not rent it out). With **permanent rental** to third parties, the tax usually does not apply.

What's the Difference Between Hauptwohnung and Nebenwohnung?

Your **Hauptwohnsitz** is the residence you **primarily occupy** (§ 22 BMG). If you spend equal time at two locations, the apartment where your **center of life** is (family, social contacts) counts as your Hauptwohnsitz.

Can My Employer Cover the Tax?

Theoretically yes, but rarely in practice. Coverage would constitute a **taxable benefit** and must be taxed.

Tips

1. Check before moving — does the city levy Zweitwohnsitzsteuer?

2. Always register on time — avoid fines and back taxes

3. Check exemptions — especially for professionally required second residence for married persons

4. Use your tax return — deduct Zweitwohnsitzsteuer as business expenses

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