



TAX ADVANTAGES FOR STUDENTS



Students who are enrolled at the Frankfurt School can benefit from a range of tax reliefs associated with their academic expenses. These reliefs not only alleviate the immediate financial burden of studying but can also contribute to reducing future tax liabilities. Students should look to include all eligible expenses in their annual tax return to maximise these advantages.

A pivotal aspect of German tax law is the differentiation between educational expenses categorised as either personal expenditures or work-related deductions. For students in their first-degree programme, these costs are considered personal expenditures. However, for those in a subsequent degree course, such as a master's or MBA, these are regarded as work-related deductions.

The potential for claiming personal expenditures as tax deductions is limited. These expenses can only offset the tax due on income earned in the same year they were incurred, and cannot be carried over to subsequent years if left unclaimed.

In contrast, work-related expenses offer broader tax relief. They are fully deductible and can reduce the taxable income derived from employment. Should these expenses exceed the income in a given year, or if the student had no such income, the remaining balance can be carried forward, reducing tax liabilities in future years. This is particularly relevant for master's degree students as they embark on their careers.

Typically, the following costs are eligible for tax deductions:

- Tuition fees, including fees for studies abroad and interest on student loans
- Study-related materials:
- Course fees
- Computing equipment
- Books
- Stationery, paper, and photocopying costs
- Telephone and internet expenses
- Additional educational supplies

It's important to note that this information serves as a general guide and should not be construed as exhaustive or error-free. Individual tax circumstances can vary significantly, especially in complex situations like maintaining two residences. For personalised advice, students are encouraged to consult a tax professional.

Other deductible expenses include:

- Application-related fees (e.g., for entrance exams, language tests)
- Notarisation fees, postage, and travel costs related to applications
- Commuting costs between residence and university
- Relocation expenses
- Costs for maintaining a second residence, including rent, utilities, furniture, and a daily allowance for the initial three months
- Travel costs for visits to the primary residence

For MBA students and those pursuing a master's degree, as these are considered second study programmes, their related expenses are fully deductible from future taxable income in Germany as work-related expenditures.

Important Advice:

These tax benefits are specific to income taxable in Germany. Tax regulations in other countries may differ. Students should keep detailed records of their expenses (contracts, invoices, receipts, bank statements, etc.) to submit with their tax returns. Students without taxable income can file retroactive returns for up to four years.