


Exercise 4.26: Income tax return 

Karina Schwarz, owner of the photo studio Karina Schwarz e.U., needs help with her income tax return.

Information about the company:

- Corporate profit: € 134,900.00
- Information for effective tax reconciliation purposes:
 - non-deductible hospitality expenses: € 657.00
 - the car was depreciated over five years; acquisition cost = € 36,000.00
- supported investments in tangible assets (photographic equipment): € 3,990.00 (useful life = six years)

Other sources of income:

- Rental income from an apartment: € 8,950.00

Personal information:

- Married (since 14 September 2009 to Martin Auer; social security no. 3988 111181), sole earner, 15-year-old daughter for whom she receives family allowance
- Extraordinary expenses: Church tax contributions: € 420.00, recognised donations: € 500.00

Karina has already made advance income tax payments totalling € 51,250.00.

Your tasks:

- a) Perform the effective tax reconciliation and calculate Karina's tax-free profit allowance.
- b) Calculate the taxable profit and taxable income.
- c) Calculate Karina's income tax and tax credit or back payment.
- d) Complete income tax form E1 for Karina. Please note the following information:
 - Tax account no.: 98 452 007
 - Address: Hauptstrasse 124, 2231 Strasshof
 - Telephone number: 02283 20093 01
 - NACE classification: 742