

Luxembourg: new tax measures introduced by the 2025 draft Budget law

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Luxembourg's government presented its 2025 draft Budget law (number 8444) to the Luxembourg Parliament (the **Draft Law**) on 9 October 2024. The Budget proposes some measures to strengthen the competitiveness of Luxembourg's economy and enhance the appeal of its financial centre, while also aiming to boost the purchasing power of households.

Key tax changes introduced by Luxembourg's 2025 Budget

Reduction of registration and transcription duties on real estate

To stimulate the housing market, the Draft Law proposes to reduce by half the taxable base for registration and transcription duties on real estate. To benefit from this reduction, the property must be acquired either to be rented as housing under the conditions set by the law of 22 May 2024, as amended, or be used as the main residence of the buyer under the conditions set by the law of 30 July 2002, as amended.

The notarial deed must include specific mentions to obtain the reduction benefit. The beneficiaries of this reduction, who have made acquisitions between 1 October 2024 and the entry into force of this Draft Law, will be obliged to submit a written request to the competent receiver for a recalculation of the rights.

This reduction will be applicable between 1 October 2024 and 30 June 2025.

Increase of the CO₂ tax credit

In line with Luxembourg's commitment to environmental sustainability, the Draft Law proposes an increase of €24 of the CO₂ tax credit, raising it to a total of €192 from 1 January 2025. This

measure is designed to mitigate the potential impact of the CO₂ tax on individuals with low or medium income.

Overview of additional measures

The Draft Law also recalls certain amendments proposed under the draft law (number 8414) dated 17 July 2024. It includes, in particular, the personal income tax changes, the corporate income tax rate adjustment and the exchange-traded fund (ETF) subscription tax exemption.

Please refer to our article for further details: [Luxembourg tax updates: what do they mean for your business? | Ogier](#)

To understand more about the new tax measures, contact our Luxembourg Legal team. Our tax experts have extensive experience and offer tailor-made advice to help our clients achieve their objectives.

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