LUXEMBOURG TAX | BUDGET 2027 · CORPORATE INCOME TAX · MINISTRY OF FINANCE · TAX POLICY

Luxembourg budget 2027: corporate tax rate to fall to 15%

Published 9 October 2026 · The Finance Intellect · Source-based summary

The 2027 draft budget, presented on 7 October 2026, cuts corporate income tax from 16% to 15% and the SME rate from 14% to 13%, raises the investment tax credit to 21% and targets a 0.6% deficit.

Country reference

- Country: Luxembourg (planned expansion country)
- Authorities: Ministry of Finance; Chamber of Deputies
- Topic: Draft State budget 2027 and business tax package
- Key date: Presented to the Chamber of Deputies on 7 October 2026; subject to parliamentary vote
- Law: Draft budget law 2027; Income Tax Law (L.I.R.)

Tax measures for companies

- Corporate income tax: standard rate from 16% to 15%; reduced rate for smaller companies from 14% to 13%, with its ceiling raised from EUR 200,000 to EUR 250,000, according to press reports.
- Investment tax credit: for digital and energy transition investments, from 18% to 21%.
- Losses: the 17-year limit on carrying forward tax losses would be removed, according to press reports.
- Share disposals: the holding period for the capital gains exemption would rise to 12 months, per press reports.

For individuals

- The Bëllegen Akt housing tax credit rises to EUR 45,000 per person.
- The social minimum wage rises 3.8% on 1 January 2027, with a higher related tax credit.
- The Government is preparing a reform towards a single tax class.

The numbers

- Central government spending EUR 35.8 billion and revenue EUR 33.9 billion.
- General government deficit EUR 570 million, or 0.6% of GDP, from an estimated 1.1% in 2026.
- Public debt below 30% of GDP, falling from 29.3% at end-2026 to 28.6% in 2030.
- Public investment above EUR 4.5 billion, or 4.4% of GDP.

What to do now

- Model 2027 tax charges at 15%, but wait for the final law before booking deferred tax changes.
- Review planned digital and green investments for the higher credit.
- Check share sales planned within 12 months of acquisition.

Our take

With the solidarity surcharge and Luxembourg City business tax, the combined rate should fall below 23%. The direction is clear, but several details still come from press reports; confirm them in the bill.

Sources

- Government of Luxembourg: Gilles Roth presents the 2027 State budget (7 October 2026)
- Paperjam: A surprise tax package for companies
- Chronicle.lu: Luxembourg presents EUR 35.8bn State budget for 2027

Important. This summary is for general information and is not tax, legal or financial advice. It is based on public Government of Luxembourg publications, together with press reports, and may be incomplete or out of date. The official legislation and guidance prevail; check the official text before acting.

ABOUT THE FINANCE INTELLECT

A Finance Knowledge & Resource Platform by Neocor Consultancy. Weekly tax and finance insights, Excel templates, calculators and a learning hub for finance leaders and professionals.

Platform: thefinanceintellect.com | **Owner:** neocorconsultancy.com