

28. March 2024

## **PURCHASE PRICE WITH EARN-OUT - ADVANTAGEOUS TAXATION OR NOT?**

IN ITS RULING DATED 9 NOVEMBER 2023 (CASE NO. IV R 9/21), THE BFH DECIDED ON THE TAXATION OF SO-CALLED EARN-OUT PAYMENTS THAT THESE PURCHASE PRICE COMPONENTS ARE (ONLY) TAXABLE AS SUBSEQUENT BUSINESS INCOME AT THE TIME OF RECEIPT. THIS RAISES THE FURTHER QUESTION OF WHETHER THE AGREEMENT OF EARN-OUT PAYMENTS AS A WHOLE JEOPARDIZES THE ADVANTAGEOUS TAXATION OF SALE GAINS IN ACCORDANCE WITH § 34 PARA. 3 GERMAN INCOME TAX ACT (ESTG). [\(more...\)](#)