Austria
Country Profile

EU Tax Centre

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Key tax factors for efficient cross-border business and investment involving Austria

EU Member State

Yes

Double Tax Treaties

With:

Albania	Egypt	Macedonia	Slovakia
Algeria	Estonia	Malaysia	Slovenia
Armenia	Faroe Islands	Malta	South Africa
Australia	Finland	Mexico	Spain
Azerbaijan	France	Montenegro	Sweden
Bahrain	Georgia	Moldova	Switzerland
Barbados	Germany	Mongolia	Taiwan
Belarus	Greece	Morocco	Tajikistan
Belgium	Hong Kong	Nepal	Thailand
Belize	Hungary	Netherlands	Tunisia
Bosnia & Herzegovina	India	New Zealand	Turkey
Brazil	Indonesia	Norway	Turkmenistan
Bulgaria	Iran Ireland	Pakistan	UAE UK
Canada	Israel Italy	Philippines	Ukraine US
Chile	Japan	Poland	Uzbekistan
China	Kazakhstan	Portugal Qatar	Venezuela
Croatia	Rep. of Korea	Romania	Vietnam.
Cuba	Kuwait	Russia	
Cyprus	Kyrgyzstan	San Marino	
Czech Rep.	Latvia	Saudi Arabia	
Denmark	Liechtenstein	Serbia	
	Lithuania	Singapore	
	Luxembourg		

Note: (a) Treaty signed but not yet in force.

Forms of doing business

Limited Liability Company (GmbH) and Stock Company (AG)

Legal entity capital requirements

The statutory minimum share capital, amounts to EUR 35,000 for a GmbH, and EUR 70,000 for a AG. At least 50% of the share capital has to be paid in cash before registration

Residence

A company is resident if either its legal seat or its place of management is in

Austria. Resident companies are taxed on their worldwide income. Non-resident companies are taxed only on their Austrian source income

Compliance requirements for CIT purposes

Deadline for filing tax return is April 30 (in hardcopy) or June 30 (via internet) of the following tax year; exemptions apply if the return is prepared by a professional tax advisory firm.

Tax rate

The standard corporate income tax rate is 25 percent

Withholding tax rates

On dividends paid to non-resident companies

25 percent (exemption for payments to certain EU affiliates)

On interest paid to non-resident companies

0 percent

On patent royalties and certain copyright royalties paid to non-resident companies

20 percent (exemption for payments to certain EU affiliates)

On fees for technical services

20 percent if work is executed in Austria

On other payments

No

Branch withholding tax

No

Holding rules

Dividend received from resident/non-resident subsidiaries

Full exemption. For foreign participations: no minimum participation or minimum holding period is required subject to minimum taxation of distributing company (and exchange of information agreement for non-EEA companies). For domestic participations: no minimum participation or holding required

Capital gains obtained from resident/non-resident subsidiaries

Capital gains on the disposal of shares in non-resident companies may qualify for a participation exemption (under certain conditions). Option for taxable status available. Domestic capital gains are always taxable at 25 percent

Tax losses

Losses may be carried forward indefinitely. No carry-back is allowed. Losses carried forward may be lost after a substantial change in ownership of the company's share capital or, in certain circumstances, a reorganization. Minimum taxation: 75 percent of the annual income can be sheltered by tax loss carry-forward, whereas 25 percent is subject to an immediate tax liability

Tax consolidation rules/Group relief rules	Group companies (and, under certain circumstances, non-resident companies) can consolidate their profits and losses. Losses of non-resident members can be offset against a maximum of 75 percent of the profits of resident members (from 2015 onwards), profits of non-resident group members are not consolidated. Applies only to group members from EU member states and to companies from countries with which Austria has entered into full administrative assistance.
Registration duties	Insignificant
Transfer duties	On the transfer of shares None On the transfer of land and buildings Real estate transfer tax is triggered when (i) real estate is directly transferred or (ii) at least 95 percent of the company shares are transferred to one shareholder or a group of companies subject to group taxation. Rate: 3.5 percent of the consideration if real estate is directly transferred; if there is a transfer of 95 percent to one shareholder or a group of companies, the tax base is formed by real estate value (usually below the fair market value). Special provisions apply to transfers of interest in partnerships. Stamp duties Yes, specific anti-abuse provision. Real estate taxes Yes, real estate transfer tax of 3.5 percent plus 1.1 percent cadastre registry fee of the consideration and real estate tax between 0.5 permille and 1.5 permille on the assessed value
Controlled Foreign Company rules	Yes, specific anti-abuse provision
Transfer pricing rules	General transfer pricing rules Transfer pricing guidelines were issued by the Federal Ministry of Finance in 2010 and refer to the OECD Guidelines, the authorized OECD approach and various court decisions. Although not legally binding, they serve as a guideline for tax audits Documentation requirement? The non-binding transfer pricing guidelines also include detailed documentation requirements. An implicit obligation relating to detailed documentation on transfer prices is also derived from general provisions of the Federal Fiscal Code
Thin capitalization	No specific thin capitalization legislation. According to administrative practice

rules	and court rulings, a debt-to-equity ratio of between 3:1 and 4:1 is recommended

General Anti-Avoidance rules (GAAR)	A general anti-avoidance rule is included in the Federal Fiscal Code implementing a 'substance over form' principle
Specific Anti-Avoidance rules/Anti Treaty Shopping Provisions	Dividends from international holdings are taxable with a credit for underlying tax rather than exempt if covered by an ordinance of the Federal Minister of Finance to avoid tax fraud and abuse. This can be assumed if in general: ■ The core business of the foreign company is to derive income, directly or indirectly, from loans, the lease of tangible or intangible assets, or the sale of participations (income test); and ■ The foreign company does not meet an effective minimum taxation test (i.e., foreign taxation is less than 15 percent of the effective tax rate under Austrian law).
Advance Ruling system	Yes, but limited to certain issues (transfer pricing, reorganization tax matters and tax groups).
IP / R&D incentives	Premium for costs incurred for R&D
Other incentives	No
VAT	The standard rate is 20 percent and the reduced rate is 10 percent
Other relevant points of attention	No

Source: Austrian tax law and local tax administration guidelines, updated 2016.

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