

Austria VAT guide

This guide is an overview of the Austrian Value Added Tax ("VAT") system, focussed on how it affects foreign businesses trading with Austria. It is general in nature and unlikely to cover the specifics of your scenario. It should be read as such and not be construed as advice. For advice as to how your business is affected by Austrian VAT please contact a Kreston Global Austrian VAT specialist.



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What is the tax called

VAT – Value Added Tax

What is the tax authority

Austrian Ministry of Finance –
"Bundesministerium für Finanzen"

What type of tax is it

Consumption based tax on consumers, on business transactions and imports

What is it due on

Taxable turnover - VAT is added to the value of supplies of goods and services where the 'place of supply' is in Austria

What are the VAT rates

Taxable:

20% - default (standard) rate
13% - reduced rate
10% – reduced rate
0% - zero rate

Exempt:

0% - Exemptions for specific services/goods
13% – reduced rate:

- Cultural and art events (music concerts/theatres/cinema/exhibitions/museums/sport events)
- Supply of antiques and art works
- Flowers / animals
- etc.

10% – reduced rate:

- Accommodation (for touristic or residential use)
- Books/newspapers/magazines (also electronic publications)
- Food (also in restaurants)
- Passenger transport
- Pharmaceuticals
- etc.

0% - zero rate:

- Exports
- Intra-community-supplies

Exempt from VAT:

- Finance
- Insurance
- Real estate (subject to an Option to Tax for commercial properties and bare land supplies)
- etc.

What does a VAT number look like

ATU12345678

Is there a registration limit

For in Austria established businesses - €35,000
For non-Austrian businesses – NIL

When does a non-established entity need to register

If it imports into or trades goods in Austria or if the place of supply of services is deemed to be the Austria.

When is the place of supply in Austria

A supply that takes place in Austria
Also, special rules for services, no matter where the supplier belongs, such as:

- Land and property related
- Digital, telecommunications and broadcasting
- Services, including admissions, linked to physical performance, including artistic, cultural, educational, sporting, entertainment, exhibition and conferences/meetings
- Restaurant and catering
- B2C intermediary services
- Hire of means of transport
- Passenger and freight transport

Any special rules

Where goods with a consignment value of under €150 are located outside the EU at the point of sale to an Austrian consumer, a VAT registration is required and Austrian VAT

on the sale must be declared. That is unless the goods are sold via the EU-Import-OSS, via a marketplace or to a VAT registered business in which case the marketplace (or business customer) is responsible for the declaration of VAT.

Does a non-established entity need a fiscal representative

Fiscal representation is required for businesses outside the EU.

How often do VAT returns need to be submitted

Normally monthly – quarterly only if yearly sales are below € 100.000

Are penalties imposed for late registration

Yes – up to 10 years – the unpaid tax is due plus a % penalty, from 1 to 10% of the VAT amount for not having filed the tax returns. Additional fines may be imposed based on financial criminal law (up to 200% of the VAT amount).

Are penalties imposed in other circumstances

A fixed late payment fine of 2% of the VAT amount will be imposed for late payments of monthly/yearly VAT amounts. Additional VAT payments are also subject to interest at a rate of 2% over the base interest rate.

Can VAT incurred by overseas businesses be recovered

Where a non-Austrian established or non-Austrian VAT registered entity incurs VAT in Austria whilst on business, such as in attending a conference, provided there is no registration requirement in Austria and Austria and the other country concerned have reciprocal refund arrangements, the Austrian tax authorities will refund the VAT incurred, subject to precise rules and the (annual) time limits for submission of claims.

Can VAT be deducted

VAT incurred on expenditure can be reclaimed where it is used in connection with 'taxable' sales, being at the standard rate of 20%, the reduced rates or the zero-rate of 0%.

VAT on expenditure used in connection with exempt supplies cannot usually be reclaimed.

Do I need to issue an invoice

Invoices must be raised except when supplying private persons. There are specific requirements for what is included on VAT invoices. Some simplifications for invoices

below € 400. Invoices may be raised in foreign currency but the VAT amount must be quoted in €.

Other

No input VAT deduction for all services/deliveries related to cars (exceptions for electronic cars and vans).