

## Austrian 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	<p>Taxable:</p> <ul style="list-style-type: none"> <li>20% - default (standard) rate</li> <li>13% - reduced rate</li> <li>10% – reduced rate</li> <li>4.9% – reduced rate</li> <li>0% - zero rate</li> </ul> <p>Exempt:</p> <ul style="list-style-type: none"> <li>0% - Exemptions for specific services/goods</li> </ul>
	<p>13% – reduced rate:</p> <ul style="list-style-type: none"> <li>• Cultural and art events (music concerts/theatres/cinema/exhibitions/museums/sport events)</li> <li>• Supply of antiques and art works</li> <li>• Flowers / animals</li> <li>• etc.</li> </ul>
	<p>10% – reduced rate:</p> <ul style="list-style-type: none"> <li>• Accommodation (for touristic or residential use)</li> <li>• Books/newspapers/magazines (also electronic publications)</li> <li>• Food (also in restaurants)</li> <li>• Passenger transport</li> <li>• Pharmaceuticals</li> <li>• etc.</li> </ul>
	4.9% – reduced rate:

	<ul style="list-style-type: none"> <li>• basic foodstuffs (bread, milk, certain fruits and vegetables)</li> </ul>
	0% - zero rate: <ul style="list-style-type: none"> <li>• Exports</li> <li>• Intra-community-supplies</li> </ul>
	Exempt from VAT: <ul style="list-style-type: none"> <li>• Finance</li> <li>• Insurance</li> <li>• Real estate (subject to an Option to Tax for commercial properties and bare land supplies)</li> <li>• etc.</li> </ul>
What does a VAT number look like	ATU12345678
Is there a registration limit	For in Austria established businesses – €55,000 sales/year For non-Austrian businesses – NIL EU companies can apply for VAT exemption if total amount of sales in EU below €100,000/year AND sales in Austria below €55,000/year
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: <ul style="list-style-type: none"> <li>• Land and property related</li> <li>• Digital, telecommunications and broadcasting</li> <li>• Services, including admissions, linked to physical performance, including artistic, cultural, educational, sporting, entertainment, exhibition and conferences/meetings</li> <li>• Restaurant and catering</li> <li>• B2C intermediary services</li> <li>• Hire of means of transport</li> <li>• Passenger and freight transport</li> </ul>
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).