

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

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

Forms of doing business Limited Liability Company (GmbH)
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	<p>On dividends paid to non-resident companies</p> <p>25 percent (exemption for payments to certain EU affiliates)</p> <p>On interest paid to non-resident companies</p> <p>25 percent (exemption for payments to certain EU affiliates)</p> <p>On patent royalties and certain copyright royalties paid to non-resident companies</p> <p>20 percent (exemption for payments to certain EU affiliates)</p> <p>On fees for technical services</p> <p>20 percent if work is executed in Austria</p> <p>On other payments</p> <p>No</p> <p>Branch withholding tax</p> <p>No</p>
Holding rules	<p>Dividend received from resident/non-resident subsidiaries</p> <p>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.</p> <p>Capital gains obtained from resident/non-resident subsidiaries</p> <p>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.</p>
Tax losses	<p>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.</p> <p>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.</p>



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). Applies only to group member EU companies 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) 100 percent of the company shares are transferred to one shareholder. Rate: 3.5 percent of the consideration.

Stamp duties

Yes, the rate depends on the type of contract.

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 rules

No specific thin capitalization legislation. According to administrative practice 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	<p>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:</p> <ul style="list-style-type: none"> ■ 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 2015.



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