Requirements for an invoice

Under the Sales Tax Act, the entrepreneur is required to issue invoices if he

- conducts sales to other entrepreneurs for their companies
- or to other legal persons who are not entrepreneurs
- or executes a taxable delivery or service in the context of a landed property to a non-entrepreneur or
- performs a delivery or other service in a member state for which tax liability is transferred to the recipient of
  the service and for which the entrepreneur providing the service neither runs his business in this member
  state nor has a plant that is involved in the provision of the service.

He must comply with his obligation to issue an invoice within six months of conducting the sale.

Note: as of 1 January 2013

If other services that fall under the general clause for which the recipient owes the tax (reverse charge) are
performed in the remaining community area or intra-community services are performed, the invoice must be
issued at the latest by the 15th day of the calendar month following the provision of the service.

Formal requirements

An invoice must have the following characteristics in order to entitle the issuer to deduct input tax:

- Name and address of the entrepreneur delivering the goods or rendering the service
- Name and address of the recipient
- Quantity and customary designation of the goods or type and scope of the services
- Day/time period of the delivery or other service
- Payment for the delivery/other service and applicable tax rate; or, if the entrepreneur is exempt from taxes,
  reference to the exemption
- The tax amount apportioned to the payment
- Issue date (if it is the same as the date of delivery or other service, an “Invoice date is the same as delivery or
  service date” note suffices)
- Sequential number
- VAT ID number of the issuer of the invoice
- VAT ID number of the recipient of the service (on invoices whose total exceeds
  EUR 10,000.00 incl. VAT; furthermore, if the tax liability is transferred to the recipient of the service - reverse
  charge as well as intra-Community deliveries).
- if differential taxation is applied, a reference has to made to that fact (e.g. antiques trade)
- If the invoice has been made in any currency other than euros, the tax amount must also be stated in euros
Note:
For every sale to an entrepreneur or any other legal entity who is not an entrepreneur, the entrepreneur must an invoice without the customer expressly requesting him to do so. This also applies to tax-exempt sales or sales under the reverse charge mechanism.

Simplification measures for invoices to private persons

All invoice characteristics need only appear on invoices to entrepreneurs if the invoiced services have been performed for their company. Invoices to private persons do not in principle have to contain these characteristics.

If the Mini One Stop Shop is used for the declaration and payment of value added tax (e.g. on electronically supplied services to private persons in another member state), the law of the member state of identification applies to the production of invoices.

Note:
If the entrepreneur executes a taxable delivery or service to a non-entrepreneur in the context of a landed property, he is required to issue an invoice. This has been applicable since 1 January 2008.

Invoices for small amounts

With regard to invoices whose total does not exceed EUR 400 including sales tax, the following information is sufficient:

- Name and address of the entrepreneur delivering the goods or rendering the service
- Quantity and customary designation of the objects or type and scope of the services
- Day/time period of the delivery or other service
- Payment and tax amount in one sum
- Tax rate
- Issue date

The simplification provisions for invoices up to EUR 150 do not apply to intra-community deliveries. Such invoices must contain a reference to the tax exemption as well as the VAT ID number of the entrepreneur performing the delivery as well as of the buyer.

You can find a sample of an invoice for small amounts at http://www.wko.at/steuern - area: sales tax - subject: General information on sales tax - sample

Details of individual invoice characteristics

Sequential numbering:

The invoice must contain a sequential number from one or several number series; each number must be assigned only once for identification purposes. The point of time when the sequential number begins can be freely chosen. The numbering of different accounting entities (e.g. branches, cash registers) is allowed.

The sequential number on invoices to private customers can be dispensed with only if the entrepreneur keeps separate accounting entities for entrepreneurs and private customers. If there is only one accounting entity, invoices to private customers must be sequentially numbered together with those to entrepreneurs. The recipient of the invoice does not have to check the consecutive numbering.

VAT ID number of the invoice issuer:

Only if the entrepreneur performs deliveries or services at home for which no entitlement to deduct input tax exists, he does not have to state a VAT ID number on his invoice (e.g. small business owner).
VAT ID number of the invoice recipient:

With regard to invoices whose total exceeds EUR 10,000 including sales tax, the VAT ID number of the customer must be specified under the following conditions:

- The entrepreneur delivering the service must have his domicile, registered office, usual residence or plant in Austria; and
- the service must be performed for the company of the customer.

If customer does have a valid VAT ID number (e.g. small business owner) or does not indicate it, this has no consequences for the entrepreneur delivering the service. A note: “No VAT ID number stated” suffices. If the customer has a foreign VAT ID number, it must be stated. The correctness of the VAT ID number does not have to be checked!

Reference to tax exemption

It is not required to specify the applicable statutory provision. The most common applications are tax-free export sales or invoices from small business owners.

Invoices for letting

The requirements for an invoice would result in an enormous administrative expense for letting contracts or similar contracts for continuous services if the invoices were to be issued on a monthly basis.

In these cases, the fiscal authorities accept a “permanent invoice” for a monthly rental payment, which is commonly issued once a year. The first month of the year, for example, can be stated as the period of performance with the addition that the rental payment is valid until a new rental payment is fixed. If this invoice contains all statutory components and the rent is paid, the lessor is entitled to deduct input tax for the other months as well.

Invoices for intra-Community deliveries

with intra-Community deliveries, the performing entrepreneur shall

- indicate the VAT number of the beneficiary (the number should be checked for correctness and affiliation according to level 2)
- Instead of the amount of tax or the tax rate, explicit reference must be made to the tax exemption of the intra-Community delivery

In the event that the sales tax is included by mistake, it will be owed by virtue of the invoice; however, it does not entitle the recipient to deduct input tax.

Invoices with regard to the reverse charge mechanism

With regard to the reverse charge mechanism, the entrepreneur delivering the service must

- specify the VAT ID number of the recipient of the service and
- make a reference to the tax liability being transferred to the recipient

In the event that the sales tax is included by mistake, it will be owed by virtue of the invoice; however, it does not entitle the recipient to deduct input tax.

Note: The issuance of a proper invoice does not affect the transfer of the tax liability.

Please refer to our information leaflets “Sales tax on services for foreign entrepreneurs – B2B services” and “Reverse charge – reversal of tax liability” for more detail on the “reverse charge.”

You can find a sample invoice of a reverse charge invoice at http://www.wko.at/steuern - area: sales tax - subject: General information on sales tax - sample

Invoice of the purchaser to the recipient for triangular transactions
For a triangular transaction, the invoice of the purchaser to the recipient must make reference to the triangular transaction and the transfer of tax liability.

**Tickets**
Input tax deduction can be claimed for tickets only if they contain the issue date as well as the specification of the tax rate.

**Electronic invoices**
If invoices are transmitted only electronically, input tax deduction is only possible if the authenticity of the origin, the integrity of the content as well as legibility are ensured. For more details, please refer to our information leaflet “Electronic invoice and input tax deduction.”

**Electronic invoices**
An electronic invoice is an invoice that is issued, sent, received and processed in electronic form. In order for an electronic invoice to be recognised, the authenticity of the origin, the integrity of the content as well as legibility must be ensured.

If an entrepreneur wants to send their invoices electronically, this is possible under the following conditions:

- The recipient of the invoice must accept the electronic invoice; this agreement does not require any special form. It is also sufficient for the parties involved to actually use and tacitly approve this method.
- The authenticity of the origin and the integrity of the content of an electronic invoice must be ensured.
- The provisions of the Sales Tax Act with regard to the elements of the invoice must be adhered to.

**Note:**
Since 1 January 2013, each entrepreneur can determine for himself the method in which the authenticity of the origin, the integrity and the legibility of the content are ensured.

The following procedure is available:

- Use of an in-company controlling method, through which a reliable audit trail is created between the invoice and the service;
- Issue of the invoice via FinanzOnline or the company service portal;
- Addition of a qualified electronic signature to the invoice;
- Issue of the invoice in the EDI procedure

**Attention:**
If the invoice is sent in multiple ways (e.g. paper and email), the invoice must make reference to this so as to avoid multiple instances of sales tax liability by virtue of issuing invoices.

Credit notes can also be sent electronically.

**The creation of electronic invoices**
If an entrepreneur would like to sent invoices electronically, he must first obtain the approval of the customer and, in accordance with the new regulation, retain proof of the authenticity and integrity of the data as part of the invoice for 7 years.

**Note:**
The cost savings over paper invoices can be a definite argument in favour of switching to electronic invoices for small and medium-sized enterprises. Under [www.e-rechnungen.at](http://www.e-rechnungen.at), you will find an online consulting tool that provides an initial estimate of whether e-billing makes sense for your business and what you should pay attention to during the conversion.

**The receipt of electronic invoices**

The following points must be noted when receiving electronic invoices:

- The authenticity of the origin, the integrity of the content and the legibility of the invoice must be ensured.
- The invoice recipient must approve the sending of invoices by electronic means. The General Terms and Conditions of the supplier must be noted as these may already cover the sending of electronic invoices. Implied approval (actual use) also suffices.
- The sent invoices must be retained by the invoice recipient for 7 years (e.g. saved to WORM data storage device), as is also the case for the “paper invoice”. Proof of the authenticity and integrity of the data is part of the invoice!

**Attention:**

In order to ensure the deduction of input tax, all statutory invoice features must in any case be included. You can find more on this and the consequences of incorrectly issued invoices below.

**Authenticity of origin, integrity of content and legibility**

The authenticity of origin means the certainty of identity of the service provider or invoice issuer.

The integrity of the content means that the information required by the Sales Tax Act has not been changed. However, the integrity of the content does not mean that the content of the invoice (e.g. address of service provider) is actually correct or was correct at the time the invoice was issued.

The legibility means that the content of the invoice can be read and understood by others.

Each entrepreneur can determine for himself how these three conditions are ensured.

The authenticity of origin and the integrity of the content can be ensured through use of an in-company controlling method, through which a reliable audit trail is created between the invoice and the service.

**In-company controlling procedure**

The in-company controlling procedure is a procedure that is used by the service-providing entrepreneur and the service recipient to compare the invoice against either the payment obligation or the payment claim.

This can be done, for example, by means of an appropriately organised accounts department, but also achieved through a manual comparison of the invoice against the available business documentation (e.g. order, instruction, purchase agreement, delivery note).

If the link between the processed sale and the invoice can be easily traced with the aid of sufficient details and if the documented procedures are adhered to, it can be assumed that the audit trail is reliable.

**Example 1:**

An entrepreneur receives a PDF invoice with a qualified electronic signature sent by email. The qualified electronic signature satisfies the conditions for proof of the authenticity of origin and of the integrity of the content. If the invoice is legible, its content is correct and it is archived with a signature check, there is nothing to prevent the deduction of input tax.

**Example 2:**
An entrepreneur receives a PDF invoice without a qualified electronic signature by email. He manually compares the invoice, e.g., with the delivery note, the received service and the email correspondence. The comparison of the invoice against the available documentation is sufficient to prove the authenticity of origin and the integrity of the content. If the invoice is legible and the content is correct, there is nothing to prevent the deduction of input tax.

In practice, the technical and organisational procedures used will depend heavily on the size of the company. A sole proprietor will select a different procedure from a corporation. The entrepreneur must document the procedure it uses in accordance with its status.

**Faxed invoices**

Invoices that are sent by fax are also deemed electronically sent invoices and are subject to the same conditions.

**Electronic invoices “over the border”**

When making an intra-community (IC) delivery, and since 01.01.2013 for deliveries of other services for which tax liability is transferred to the recipient of the service and for which the entrepreneur providing the service neither runs his business in this member state nor has a plant that is involved in the provision of the service, the Austrian invoicing requirements shall apply.

As the issuer of the invoice in this instance is subject to the Austrian Sales Tax Law, he must take the Austrian regulations regarding e-invoices into consideration.

**Example:**

An Austrian entrepreneur makes an IC supply to Germany. Does he have to observe the Austrian regulations on electronic invoices?

The intra-community supply is tax free on the condition that the German customer has a foreign VAT ID. The deduction of input tax does not, therefore, come into question for the customer. However, the provisions regarding the electronic invoice must be noted by the provider of the service.

**Example:**

An Austrian entrepreneur sells software via the internet to a Polish entrepreneur.

As this concerns a service that is performed at the place of receipt for sales tax purposes and the tax liability is transferred to the recipient, the invoice must be created in accordance with Austrian legal provisions. The provisions regarding the electronic invoice must be noted by the provider of the service. Correct invoicing is inconsequential with regard to the deduction of input tax.

**Example:**

An Austrian entrepreneur sells a machine at a sales exhibition in Slovenia. He would like to issue his customer S with an electronic invoice.

As this concerns a domestic supply in Slovenia, the Austrian entrepreneur must familiarise himself with the provisions of the Slovenian sales tax law and issue the invoice accordingly.

**Consequences of incorrectly issued invoices**

**Sales tax:**

Only a correct invoice entitles the invoice recipient to deduct input tax. Exception: with regard to the reverse charge or an intra-community acquisition, input tax deduction is also possible without a proper invoice.

**Income tax/corporation tax:**

If the issuer of the invoice is not designated on the invoice or is designated incorrectly and if his name cannot be confirmed retroactively, the deductibility of the payment as operational expenditure can be refused.
Criminal law for fiscal offences:
The deliberate non-issuance of an invoice constitutes a breach of tax regulations, punishable by a fine of up to EUR 5,000!

Requirements under commercial law
Invoices of joint stock companies (GmbH, AG) must contain the following:

- Legal form
- Registered office
- Commercial Registry number
- Commercial Registry court

In addition, any liquidation proceedings must be indicate.

Please note:
As of 2010, all other companies entered in the Commercial Registry (sole proprietorships, partnerships, etc.) must also include this data in their business documents. Sole proprietors must also state their name if it is different from that of the company. Partnerships (OG) and limited partnerships (KG) must also give this information for an unlimited liable joint stock company.

Note! You can also find this information on the Internet at: http://wko.at/steuern (sales tax). Despite careful editing, no responsibility is taken for the correctness of this information. Any liability of the Austrian Chambers of Commerce is excluded. The terms used for references to persons always apply to both genders!

Quelle:https://www.wko.at/site/mehrsprachige_info/Requirements_for_an_invoice.html