

## Mehrsprachige Info

# Current values - Income tax/corporation tax

Aktuelle Werte - Einkommen-/Körperschaftsteuer

### Income tax rate (valid 2020)

Annual income in €	Income tax in €	Average tax rate in %	Marginal tax rate in %
< 11,000	0	0	0
> 11,000 to 18,000	$(\text{income} - 11,000) \times 20\%$	0 - 7.78	20
> 18,000 to 31,000	$(\text{income} - 18,000) \times 35\% + 1,400$	7.78 - 19.19	35
> 31,000 to 60,000	$(\text{income} - 31,000) \times 42\% + 5,950$	19.19 - 30.22	42
> 60,000 to 90,000	$(\text{income} - 60,000) \times 48\% + 18,130$	30.22 - 36.14	48
> 90,000 to 1 Mio.	$(\text{income} - 90,000) \times 50\% + 32,530$	36.14 - 48.75	50
> 1 Mio.  (limited from 2016 to 2025)	$(\text{income} - 1,000,000) \times 55\% + 487,530$	> 48.75	55

**Simplified tax calculation:**

Annual income x percent minus fixed amount = tax (before tax allowance)

up to 11,000	x 0%	- 0	= 0
> 11,000 to 18,000	x 20%	- 2,220	= tax
> 18,000 to 31,000	x 35%	- 4,900	= tax
> 31,000 to 60,000	x 42%	- 7,070	= tax
> 60,000 to 90,000	x 48%	- 10,670	= tax
> 90,000 to 1 mil.	x 50%	- 12,470	= tax
> 1 mil.	x 55%	- 62,470	= tax

**Examples:**

Annual income € 15,798 x 20% = 3,159.60 minus € 2,200 = € 959.60

Annual income € 45,672 x 42% = 19,182.24 minus € 7,070 = € 12,112.24 The reduced income tax rate will be applied for the first time in the assessment for the calendar year 2020. If income tax is collected by means of deduction (wage tax), the reduced tax rate is applicable to wage payment periods ending after 31 December 2019. The reduction has retroactive effect as of 1 January 2020, which means that wage and salary payments by the employer must be taken into account accordingly in the context of a recalculation. Depending on the technical and organisational possibilities, such recalculation shall be carried out as soon as possible and at the latest by the end of September 2020 for those employees who are employees of the paying employer in the month of the recalculation.

## Deductible amounts

Unless specified otherwise, the deductible amounts are annual amounts and reduce the tax amount determined according to the income tax rate.

## Family bonus plus

Until the expiry of the month in which a child completes its 18<sup>th</sup> year of age, a monthly sum of **EUR 125.00**.

From the expiry of the month in which a child completes its 18<sup>th</sup> year of age, a monthly sum of **EUR 41.68**.

Family bonus plus only applies to children for whom Austrian family allowance is provided, and who are resident in Austria, a member state of the European Union, a state in the European Economic Area or Switzerland. It is deductible from tax, as the first tax credit. It cannot lead to a credit note, and therefore is only fully effective for persons who have a sufficiently high income that **EUR 125.00** or **EUR 41.68**, as applicable, in monthly tax falls due.

These amounts are adjusted for children who live outside of Austria according to an index. The tax credit must be applied for (on form E30 or L1k) and may, on request, be shared between the person entitled to the family allowance, that person's spouse or partner, and a maintenance debtor, according to certain criteria.

## Deductible amount for sole earner/single parent (AVAB/AEAB)

- with one child	€494
- with two children	€669
- for each additional child	€220

Additional income limit of the (spouse) partner in the case of AVAB (sole wage-earner deductible amount) (annually):	<b>€6,000</b>
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If the calculation of the income tax results in a negative amount, the AVAB/AEAB is to be reimbursed to that extent.

## Deduction for child support – monthly

For child support payments for children not belonging to their own household when the child is living permanently in Austria, in a member state of the European Union, a state in the European Economic Area or Switzerland:

- for the first child	<b>€29.20</b>
- for the second child	<b>€43.80</b>
- for each additional child	<b>€58.40</b>

From 1.1.2019, the AVAB, the AEAB and the child support deduction amount are all adjustable on the same terms as the Family bonus if the child is resident in a member state of the European Union, a state in the European Economic Area, or Switzerland.

<ul style="list-style-type: none"> <li><b>Deduction for travel expenses</b> (for active employees)</li> </ul>	<b>€400</b>
<p>As of 2016, the deduction amount for travel expenses (VAB) will be increased to</p> <p>if an entitlement to the commuting allowance exists and the income per year does not exceed € 12,200.</p> <p>The increased VAB is reduced uniformly on an incremental basis between incomes of € 12,200 and € 13,000 to € 400.</p>	<b>€690</b>
<p>As of 2020, an additional amount to the existing deduction for travel expenses is to be taken into account for taxpayers whose income does not exceed € 15,500.</p> <p>The supplement to the VAB is reduced uniformly on an incremental basis between incomes of € 15,500 and € 21,500 to zero.</p>	<b>€400</b>

<ul style="list-style-type: none"> <li><b>Deduction amount for pensioners</b> (valid as of 1.1.2020)</li> </ul>	<b>€600</b>
<p>The deduction amount for pensioners (€ 400 until 2019) is reduced uniformly on an incremental basis between retirement benefits from € 17,000 and € 25,000 to zero.</p>	
<p>As of 2020, the deduction amount for pensioners will be increased to</p> <p>(up to 31.12.2019: € 764) if the annual pension amounts to a maximum of € 25,000 (maximum amount as of 2013; for 2012 max. of € 19,930 and for 2011 max. of € 13,100); if more than six months of a marriage/partnership is given; if the spouses/partners are not permanently separated; the spouse/partner has an income of a maximum of € 2,200 annually; and there is no claim to the deduction for sole earners.</p> <p>The increased deduction amount for pensioners will be reduced incrementally between retirement benefits of €19,930 and €25,000 to zero as of 2013.</p>	<b>€964</b>

## Social security reimbursement (SV-Rückerstattung):

Should a taxpayer who is entitled to the deduction for travel expenses or the deduction amount for pensioners have income tax below zero,

then certain income-related expenses will be reimbursed by way of an employee tax assessment up to specified maximum amounts (€ 400/€ 500/€ 110, depending on the circumstances).

NEW: For taxpayers who are also entitled to a supplementary allowance on the deduction for travel expenses, a social security bonus in the amount of € 400 will be implemented. The maximum social security reimbursement will also be increased for low-income pensioners. The maximum social security reimbursement amounts as of the 2020 assessment depending on the circumstances: € 700/€ 800/€ 300.

## Supplementary child benefit

If a tax of less than EUR 250.00 (multiplied by the number of children) would be due before taking account of tax credits, and the AVAB (sole earner tax deduction) or AEAB (single parent tax deduction) is applicable, the difference between EUR 250.00 (multiplied by the number of children) and the tax will be reimbursed. This amount will be adjustable on the same terms as the Family bonus if the children are resident in a member state of the European Union, a state in the European Economic Area, or Switzerland.

## Commuting allowance and commuter euro (for active employees)

Please refer to the "Commuting allowance and commuter euro" information sheet for details.

### Duty to submit tax returns

generally for an annual income of more than	€11,000
with income subject to income tax for an annual income of more than	€12,000

• Capital gains tax	27.50%
- for specific interest (e.g. from deposits with credit institutions)	25%

### Tax deduction with limited tax liability

- if the recipient of the gains bears the fee	20%
- if the debtor of the gains bears the fee of the full amount	25%
- if expenditures directly connected to the revenues are deducted Expenses (only applicable to EU/EEA citizens)	25%

### Corporation tax

- since 2005: 25% of the income

Minimum corporation tax	per year	per quarter
GmbH (limited liability company) *)	€1,750	€437.50
AG (stock company)	€3,500	€875
Banks and insurance companies	€5,452	€1,363

\*) The minimum corporation tax for limited liability companies (GmbH) founded after 30 June 2013 amounts to €500 annually in the first five years, or €125 quarterly; in the following 5 years €1,000 annually, or €250 quarterly. As of the 11th year, the full minimum corporation tax must be paid.

**Minor assets (Art. 13 Income Tax Act)**

Immediate write-off of investments up to an acquisition value of  (€ 400 until 31.12.2019; the increase to € 800 is applicable for the first time for financial years beginning after 31.12.2019).	<b>€800</b>
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**Accounting limit**

Since 2010, mandatory accounting has been in effect for annual turnover of more than	<b>€700,000</b>
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Please refer to the "Types of Profit Assessment" brochure for details.

Stand: 21.12.2020