

AUSTRIA

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AT A GLANCE

Name of the tax	Value Added Tax
Local name	Umsatzsteuer
Date introduced	1 January 1973
Date of membership in EU	1 January 1995
Administered by	Ministry of Finance (www.bmf.gv.at)
<u>VAT rates</u>	
Standard	20%
Reduced	10%, 12%, 13 % (from January 1 st /May 1 st 2016 on)
Other	Exempt with and without credit
VAT Number format	ATU12345678
VAT return periods	Monthly if turnover of the previous year exceeded EUR 100.000 else quarterly
Thresholds registration	None
Recovery of VAT by non established	
Businesses	Yes

HISTORY OF VAT

In 1973 today's VAT system was implemented although previous systems were in place. The systematic adaption to the VAT Directive was implemented in the course of the VAT Act 1994.

SCOPE OF VAT

The most common cases with Austrian VAT are:

- supplies and services, which are performed in Austria by a company
- import of goods (import VAT)
- intra-community acquisition

REGISTRATION

In some cases a VAT registration in Austria is obliged. A group registration for foreign companies is not possible. In the following cases a VAT registration is required:

- Sales (of goods stored in Austria) within Austria or to foreign located companies (EU intra community sales, exports)
- Storing goods in a warehouse in Austria as stock for resale (e.g. consignment stock)
- Chain supplies affecting Austria
- Distance selling to private individuals in Austria (if the annual threshold of EUR 35.000,00 is exceeded; some exemptions of this rules exist)
- Works made on a real estate located in Austria and belonging to a private individual
- Procurement services to individuals, if the underlying transaction takes place in Austria
- brokerage services, if the underlying transaction takes place in Austria
- Organizing live events, conferences etc. in Austria
- Trade fairs taking place in Austria by a foreign provider for foreign exhibitors (ticket sale is subject to VAT in Austria)
- Passenger and cargo transport to private individuals in Austria (some exemptions of this rules exist)
- Certain services to private individuals
- Restaurant and catering services
- Receipt of services taxable in Austria from suppliers in other countries
- Receipt of other Reverse Charge services taxable in Austria

VAT RATES

20 %: Standard rate

10 %: As examples: food, raw material, books, tickets for museums, theatre or concerts, renting of short-term accommodations (e.g. hotel)

In some cases concerning wine directly from a farmer there is a 12 % VAT rate

13%: Starting with January 1st 2016: e.g. animal and plant breeding, artists, cultural services (e.g. tickets for museums), passenger transport with airplanes; starting with May 1st 2016: renting of immovable property for camping, lodging

PLACE OF SUPPLY RULES

The general rule is, that the place of supply is where the supply begins.

In cases of chain transactions for all deliveries before the dispatch or the collection of the goods the place of supply is the point of sale of the first supplier, for all deliveries after the dispatch or collection of the goods the place of supply is the place of destination.

The place of services is where the recipient is running his business, with exemptions e.g. for services with property / real estates, the granting of entry tickets to e.g. cultural, artistic or sport events and for services to individuals.

TIME OF SUPPLY RULES

The tax liability arises in the VAT period where the supply or service is provided. If an invoice is issued after the end of the month in which the supply or service is performed the chargeability of the VAT is postponed by one month. The date of delivery is when the customer receives the goods and the date of service is the last date the service is performed.

If the payment – or a part of it – is made before the supply or service is carried out, for this portion the tax liability arises in the VAT period of the payment.

Exemption: For some entrepreneurs the VAT liability arises at the moment when the payment is made.

EXEMPTIONS

VAT free supplies are exports and intra-community deliveries with tax credit / tax refund, for example the purchase and sale of real estates, the renting of premises and the services and supplies of a doctor.

RECOVERY OF INPUT VAT

Input VAT is off-set against VAT charged on sales. The difference is credited/debited to the tax account of the taxpayer. A tax credit can either be settled with future tax liabilities or a request for refund can be made. It is not really predictable how long it takes until the refund is paid. Usually it takes not very long but sometimes there can be a rather long delay.

According to the 8th directive, EU companies can reclaim VAT in Austria up to September 30th of the following year. The minimum refund is EUR 400. If the period for a refund is a calendar year or a remainder of a calendar year the minimum refund is EUR 50,00. The VAT refund application form has to be submitted electronically in the state of resident without signature. If the input VAT exceeds EUR 1.000,00 or if the VAT on fuel supply exceeds EUR 250,00 invoice copies could be requested. The time period to receive the refund is four months, if additional documents are requested up to eight months.

According to the 13th directive companies outside the EU can reclaim the VAT in Austria until June 30th of the following year. A refund period has to cover at least three consecutive calendar months and one calendar year at the most (there are exceptions for the end of the calendar year). The minimum refund is EUR 400. If the period for a refund is a calendar year or a remainder of a calendar year the minimum refund is EUR 50,00.

COMPLIANCE OBLIGATIONS

An outgoing invoice has to be issued at the latest, six months after the date of supply or service (general rule). Also credit notes are possible, if there is an agreement between the supplier and the customer.

The filing and payment due date for the VAT periods (whether submitted monthly or quarterly) is the 15th of the second following month. The annual VAT return has to be filed before April 30th (June 30th if it is filed electronically) of the following year. If the taxpayer is represented by a tax consultant, there are longer periods. As VAT prepayments have to be paid monthly/quarterly, a tax liability caused by a difference between the prepayments and the tax return could cause penalty payments: Late payment penalties worth 2% of the outstanding VAT could arise aswell as late filing penalties. Usually no penalty payment is imposed if the additional payment doesn't exceed EUR 2.500,00.

All incoming and outgoing invoices including all documents for intra-community deliveries and exports have to be kept for 7 years.

SPECIAL CASES

In Austria a differential taxation rule for art and antiques exists, if the retailer received the goods without paying VAT or with differential taxation.

A similar rule exists for travel services to private individuals, if the relevant conditions are met, a margin taxation is applicable.

In Austria the reverse charge system is also applicable if the service recipient doesn't have a residence or business location in Austria.

Also there are special rules for supplies and services to diplomats – under certain conditions they're VAT free.

RIGHTS OF THE TAX PAYER AND THE VAT AUTHORITIES

The tax payer can change the VAT advance returns with revisions and latest with the filing of the annual VAT return. There is the possibility to appeal against the yearly VAT assessment within one month after receiving the assessment note. If the appeal doesn't succeed, there's a second instance. After the second instance the appeal can be forwarded to the Administrative Court.

If there is the obligation to file VAT returns and no returns were filed, the tax office can estimate the VAT amount.

The tax authorities are allowed to announce a tax audit.

EU DECLARATIONS

INTRASTAT declarations have to be filed on the 10th working day of the following month, if there is something to declare.

INTRASTAT declarations have to be filed if either arrivals or dispatches have exceeded the threshold of EUR 750.000,00 in the preceding year. If the threshold is exceeded in the current year the declaration has to be filed from the month of the exceeding.

If sales or services are performed to other EU companies, an EC-sales list has to be filed on a monthly basis. If the VAT return has to be filed on a quarterly basis, this also applies to the EC-sales list. Due date for filing is the last day of the following month.