



Taxation of corporation

Corporate tax

- Tax payer

all companies resident in Austria and Austrian- source profits of non-resident companies

- Tax base

global income disclosed in the financial statements

- Tax loss

75% tax loss is possible to be carried forward no tax loss carry back

- Rate

normal rate 34% (will be changed 2005 to 25%!!!!)

Minimum amount of 1750€tax per year

Other profit tax

capital gains tax: 25% => corporation + capital gains tax = 50,5 %

Property tax

3,5% from husband, wife, parents and children: 2%

Payroll tax

none

Social security contributions

on salaries, the company has to pay 31,20-41,33% social security contributions for employees and for labour workers, the average is 39,8%

Tax at source



European Tax Survey – Austria

0% if the shareholder owns shares of an domestic company in Austria or more than 10% of the shares for a longer period than one year of a foreign company.
34% on dividends for foreign shares below 10%

Country specific rules



Taxation of natural persons

Income tax

- Tax payer

all natural persons resident in Austria and non- residents on their Austrian-source income

- Tax base

global income

six types of income :

1. income of farming
2. income of independence work
3. income from self-employed work
4. income from salaries or pensions
income of mobile assets, including dividends, interest, licence fees
5. income from rental / property
6. all other incomes

There are existing a lot of deductions and tax allowances in Austria, which are from case to case very different. Tax rating is starting at an amount of 8.888€ for type 1.-6. of income, except of type 4. of income it starts not before 14.500€

- Losses

may be carried forward with an amount of 75%, no carry back

- Rate

rate rises in four steps from 0% to 50%

Other profit taxes

Property tax

3,5% from husband, wife, parents and children: 2%



Wage tax

deducted from taxable salary (after deduction of social charges)
same tariff as income tax (see above)

Social security contributions

- Payer

self-employed persons

- Based on

24% on the income of the year

- Payer

employee

- Based on

income of the year

- Rate

average of 39,8%

Pay-as-you-earn deductions

0% or 34% on dividends, (see above)
25% on interests

Wealth tax

none

Death duty/gift tax

- Payer

inheritor/recipient



European Tax Survey – Austria

- Tax base

death duty : global wealth

gift tax : according to a registered deed of donation

- Rate

tax rates vary with degree of relationship between donator/deceased and recipient/inheritor

Tax sales

- Tax Payer

V.A.T. is paid by the end consumer; in between V.A.T. is recoverable

- Tax base

total price of good/charge for service

- Rate

normal rate : 20%

lower rates : 10%, 12% or 16%