

International Tax Review

Current information on
international tax
developments provided by EY
Austria

Austria: Payment Facilities for Tax Payments due to COVID-19

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Due to the economic threats of the COVID-19 crisis, the Austrian Federal Ministry of Finance issued a decree (GZ: 2020-0.178.784 of 14 March 2020) that shall help to safeguard businesses against liquidity shortages. Prerequisite for all cases and for all applications is that the taxpayer can credibly argue that liquidity shortages are directly due to COVID-19 (e.g. break down of the supply chain, change in customer behavior, cancellation of hotel reservations, authority-imposed restrictions). The decree is based on tax procedural law as currently enacted. Tax offices are instructed to process all applications with immediate effect.

- ▶ Taxpayers can apply to defer tax payments or to pay taxes in instalments. This already applies for tax payments due on Monday 16 March 2020 (e.g. VAT January 2020, Wage Tax, DB and DZ for February 2020). Independent of payment facilities, taxes still have to be calculated and notified.
- ▶ Taxpayers can apply to not levy interest on deferral of payments; such applications need to be filed together with applications to defer tax payments or to pay taxes in instalments.
- ▶ Taxpayers can apply to reduce quarterly prepayments for corporate income tax and income to a lower amount or to Zero. Reductions of current year prepayments are even possible for cases where the balance sheet date was end of January 2020 or end of February 2020.
- ▶ Tax offices are instructed to not levy interest on late payment for tax payments due to prior reductions of prepayments due to COVID-19.

Austria: Payment Facilities for Tax Payments due to COVID-19

To facilitate applications and processing, the decree lists simplified draft wordings for applications. The decree is accessible under the following link (in German language):

<https://findok.bmf.gv.at/findok?execution=e100000s1&segmentId=7a5813ea-1a67-4a5e-9cb3-fbb08f045384>

Austrian Parliament: COVID-19 Crisis Package

On Sunday 15 March 2020, the Austrian Parliament adopted the COVID-19 Law. It includes a new short-time work model; independent of the reduction of work, income can remain at up to 90%. In addition, the law provides for a framework for measures to safeguard liquidity of businesses (to be specified). The law introduces a special leave of up to three weeks for employees with children under 14 years of age because of the close down of schools and child care facilities. Employers are entitled to compensation from the government up to one third of remuneration paid to those employees.

Social Security Contributions

Employers can apply to defer social security payments in case of liquidity shortages directly due to COVID-19. The maximum deferral is extended from one to three months. In case of payment in installments, the maximum period can be extended to up to 18 months. Self-employed can apply to reduce the contribution base, to defer payments and to pay in instalments. There is the possibility to apply to not levy late payment penalties and interest.

Also in these times EY is happy to support with all work relating to applications necessary in that context.

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