

Tax Short Cuts

Current tax information
for Austria by EY

Further payout of COVID-19 subsidies possible - Late Application Directive approved

Contents

- 01 Further payout of COVID-19 subsidies possible - Late Application Directive approved
- 02 Suspension of the DTC with Russia also on the Austrian side
- 03 Dispatch of excise goods between Member States
- 04 Year end: Mandatory preparation of an annual cash register receipt
- 04 Valorization of family allowances 2024

In the national directives on liquidity support measures for businesses issued by the Federal Ministry of Finance (MoF) regarding COVID-19, there was a deviation from the deadlines required under EU state aid rules. Initial applications could be submitted after 30 June 2022, which was not in line with the EU crisis framework for state aid measures.

An agreement between the MoF and the European Commission on the treatment of this infringement has now created legal certainty for the businesses affected. The directive for late applications has been published and COFAG can therefore start the execution and payouts.

It has been possible to apply for the subsidy via the business service portal (Unternehmensserviceportal, USP) since 4 December 2023, businesses have been informed by COFAG. The subsidies concerned are the Turnover Loss Bonus III (Ausfallbonus) and the Loss Compensation Subsidy III (Verlustersatz).

There are two types of applications: On one hand, a rededication application for cases in which payouts have already been made, and on the other hand, the supplementary application for cases in which no payouts have been made. The applications can be submitted for the granting of subsidy or for rededication as de minimis subsidy or for the granting of subsidy or for rededication as compensation for damage.

When granting or rededication as de minimis subsidy, the difference between the upper limit according to the de minimis Directive (generally EUR 200.000, special regulations for road freight transport, fisheries, agriculture or SGEI) and the sum of the subsidy granted to the applicant is

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limited to the amount that the applicant has received from Austrian subsidy agencies in the last three tax years based on the applicable de minimis Directive. At the same time, however, the amount is limited to the amount that the applicant has applied for in the late application in accordance with the Loss Compensation Subsidy III Directive or the Turnover Loss Bonus III Directive and would have to be granted under these directives.

For businesses that cannot (or do not want to) utilize the de minimis framework (or could only utilize a limited amount), there is the option to apply for compensation of damages. The damage is calculated from the deficit between the result of a freely chosen observation period in the period between 16 March 2020 and 31 March 2022, in which the business was affected by a lockdown measure, compared to 95% of the result in the same period in 2019. Here, too, the amount is limited to the amount that the applicant applied for in the late application in accordance with Loss Compensation Subsidy III Directive or the Turnover Loss Bonus III Directive and would have to be granted under these directives.

Supplementary and rededication applications can be submitted until 1 April 2024. Payouts are scheduled to start from mid-December 2023.

Suspension of the DTC with Russia also on the Austrian side

Double Taxation Convention Austria - Russia

On 8 August 2023, Russia issued Presidential Decree No. 585 partially suspending the double taxation convention (DTC) with Austria with immediate effect. In addition to Austria, the other EU member states, the USA, UK, Australia, Switzerland, Singapore and Japan were also among those affected by this measure.

On 6 December 2023 Austria has now announced in the Federal Law Gazette (BGBl. III No. 200/2023) which parts of the DTC with Russia and which provisions of the protocol to this agreement are to be considered suspended until further notice. In addition, the MoF published an information (2023-0.867.389) on 6 December 2023. The suspension affects the provisions on permanent establishments, all allocation provisions including the associated protocol provisions, the provisions on equal treatment, administrative assistance and limitation of benefits and the protocol provision on Art 25 DTC Russia. In this respect, Austria is no longer prevented from applying the provisions of Austrian national law with regards to Russia. The DTC between Austria and Russia has not yet been terminated.

Dispatch of excise goods between Member States

Excise duties

The commercial dispatch of excisable goods between EU Member States is only permitted with a valid authorization or certification from the Austrian customs office and the competent foreign authorities of the Member States involved and is subject to customs supervision. This includes goods that fall under the Mineral Oil, Beer, Alcohol and Tobacco Tax Act. The transportation of goods subject to the natural gas levy, electricity levy or coal levy is not subject to the special transportation regulations under customs supervision.

The MoF has published a new information sheet "[VSt INF 1- Versand von verbrauchsteuerpflichtigen Waren zwischen Mitgliedstaaten](#)", which provides a practical overview of the formal requirements to be met by the consignor and consignee for the respective procedure:

- ▶ Certifications and authorizations (certified consignor, certified consignee, tax warehouse, registered consignee)
- ▶ Excise number (VID)
- ▶ Accompanying documents (Electronic administrative document, Electronic simplified administrative document)

In the case of commercial dispatch of excisable goods, it must first be clarified:

1. Are goods shipped between Member States? If YES, the VSt INF 1 can be used for further analysis. It should be noted that the procedure for dispatch within the tax territory of a Member State and for dispatch from or to a third country is not shown in VSt INF 1. This requires a separate analysis of the applicable procedures.
2. In a second step, the status of the excise goods must be clarified:
 - a. Movement of excise goods in free circulation (dispatch of goods for which excise duties have been paid in the Member State of departure).
 - b. Movement under excise duty suspension (dispatch of goods for which excise duties have been suspended in the Member State of departure).

The two procedures differ in terms of the required authorizations and accompanying documents and are presented in the VSt INF 1 information sheet. There is also helpful information on how the excise duty liability arises and on the forms to be used for the application for certification or for the issue of the necessary authorizations.

Year end: Mandatory preparation of an annual cash register receipt

Federal Fiscal Code

At the end of each calendar year (even if the fiscal year differs), an annual cash register receipt must be prepared, which also represents the monthly receipt for December. This annual receipt must be signed, printed, reviewed (via the MoF's receipt review app; "BMF Belegcheck") and stored (Sec. 8/3 Cash Register Security Ordinance (Registerkassensicherheitsverordnung)).

The Austrian Economic Chamber has summarized information on reviewing the annual receipt under following link (German version only):
<https://www.wko.at/service/steuern/pruefung-jahresbeleg-registrierkasse.html>

Valorization of family allowances 2024

Family Benefits Act

The valorization of family allowances with effect from 2024 was published in the Federal Law Gazette (BGBl. II No. 328/2023) on 15 November 2023.

Family allowance, multi-child surcharge, childcare allowance, family time bonus and the tax credit for children will increase by 9.7% as of 1 January 2024.

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