

Tax Short Cuts

Current tax information
for Austria by EY

MoF query response to the Remuneration in Kind Ordinance

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On 25 January 2024, the Federal Ministry of Finance (MoF) published a query response to the Remuneration in Kind Ordinance (Sachbezugswerte-VO) of 20 December 2023 and commented in particular on the topics of e-charging stations, cost reimbursements for charging costs, special vehicles and vintage cars.

The response to the query addresses detailed questions relating to e-charging stations and reimbursement of charging costs, but also comments on special topics such as the need to keep a logbook for special vehicles and the use of vintage cars owned by the employer.

In the case of special vehicles, generally no remuneration in kind is to be applied if private use is practically impossible due to the equipment or if there is actually no private use. Vehicles with permanent installations (e.g. workshop, shelves, etc.) are mentioned as examples for the exclusion criterion. Easily removable installations, on the other hand, are not sufficient for classification as a special vehicle.

Half of the remuneration in kind value (low private use) can also be applied to special vehicles. Here too, a corresponding logbook or other evidence is required to prove an annual average private use of no more than 500 kilometers per month.

According to the MoF, the non-cash benefit with regards to the provision of vintage cars is not to be valued in accordance with the Remuneration in Kind Ordinance, but rather the non-cash benefit is to be determined in accordance with the standard principles of Sec 15/2/1 Austrian Income Tax Act (Einkommensteuergesetz).

MoF query response to the Remuneration in Kind Ordinance

According to the information provided, Sec 4c of the Remuneration in Kind Ordinance (charging of zero-emission vehicles) does not apply to managing directors with significant shareholdings. According to the MoF, an adjustment is currently not planned.

The query response of the MoF is available under the following link (German version only):

<https://www.bmf.gv.at/rechtsnews/steuern-rechtsnews/aktuelle-infos-und-erlaesse/Fachinformationen---Ertragsteuern/Fachinformationen---Lohnsteuer/Sachbezugswerteverordnung-betreffend-E-Ladestationen,-Kostenersaetze-fuer-Ladekosten,-Spezialfahrzeuge-und-Oldtimer.html>

Energy Cost Subsidy II: Reminder for settlement of subsidy period 2

Energy Cost Subsidy II

The deadline for the settlement of period 2 of the Energy Cost Subsidy II (Energiekostenzuschuss II), i.e. 1 July 2023 to 31 December 2023, is from 15 February 2024 to 6 June 2024 according to the guidelines. This is a general deadline; the actual settlement period applicable to the individual businesses will be announced separately by awS.

As with the application, a confirmation from a tax consultant, auditor or accountant is also required for the settlement. The restrictions on bonus payments to board members or managing directors and on profit distributions, among other things, must still be observed.

DTC Austria-South Korea: amendments applicable

Double Taxation Convention Austria - South Korea

The amendments to the double taxation convention (DTC) between Austria and the Republic of Korea (South Korea) were published in the Federal Law Gazette (BGBl. III No. 6/2023) on 20 January 2023, have entered into force in March 2023 and have been applicable since 1 January 2024.

- ▶ The definition of a permanent establishment and the regulations on permanent establishments of representatives now correspond to the current OECD Model Tax Convention ("post BEPS").
- ▶ To avoid abusive arrangements through the fragmentation of activities, the existing list of exemptions for ancillary activities and activities of a preparatory nature has been amended, which means that an overall assessment must now be carried out in the source state.
- ▶ In the case of a profit-increasing primary adjustment of transfer prices, a corresponding secondary adjustment must be made in the other country.
- ▶ Other changes relate to the implementation of proposals from the first BEPS project, such as the inclusion of a principal purpose test and the rewording of the preamble.

DTC Austria-South Korea: amendments applicable

- ▶ The regulations on the exchange of information and administrative assistance have also been amended.

The protocol is available under the following link:

https://www.ris.bka.gv.at/Dokumente/BgblAuth/BGBLA_2023_III_6/Anlagen_0002_4AF731DF_132A_454A_843D_4781C29527EA.pdf

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