

Tax Short Cuts

Current tax information
for Austria by EY

Austrian Economic Chambers: Reduction of member contributions from 1 January 2024

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The Austrian Economic Chambers ("Wirtschaftskammer Österreich", WKÖ) have reduced the rates of the member contributions 1 and 2 from 1 January 2024 onwards.

The base for member contribution 1 ("Kammerumlage 1", KU1) is the total of VAT invoiced to the entrepreneur for goods and services (input VAT), import VAT, input VAT for intra-Community acquisitions and ingoing reverse charge. VAT on investments in fixed assets reduces the base to assess KU1.

From 1 January 2024, the rates of KU1 for chamber members without special regulations are reduced to 0.28% (until 2023: 0.29%) for an assessment base of less than EUR 3m. For assessment bases between EUR 3m and EUR 32.5m, the KU1 rate is reduced to 0.2660% (until 2023: 0.2755%) and for parts of the assessment base above EUR 32.5m the KU1 rate is 0.2464% (until 2023: 0.2552%).

The KU1 rates have also been reduced for credit institutions and insurance companies and are 0.036% for less than EUR 24m assessment base (until 2023: 0.037%), 0.0342% for parts of the assessment base between EUR 24m and EUR 260m (until 2023: 0.03515%) and 0.03168% for parts of the assessment base above EUR 260m (until 2023: 0.03256%).

The rates for the member contribution 2 ("Kammerumlage 2", KU2) - surcharge on the employer contribution to the family burden fund- were also reduced from 1 January 2024 onwards. KU2 is made up of a WKÖ-share of 0.12% (until 2023: 0.14%), which applies in all provinces, and a share determined by each provincial chamber.

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In this regard, the KU2 rates for Lower Austria, Salzburg and Vorarlberg were reduced.

The rates for KU2 (provincial chamber share including WKÖ) from 1 January 2024 are 0.36% for Vienna, 0.35% for Lower Austria, 0.32% for Upper Austria, 0.36% for Salzburg, 0.39% for Tyrol, 0.33% for Vorarlberg, 0.40% for Burgenland, 0.34% for Styria and 0.37% for Carinthia.

Housing and Construction Campaign: Decree regarding Hobby Activities amended

Income Tax Act

On 27 March 2024 - as announced as part of the Federal Government's housing and construction campaign on 27 February 2024 - an amendment to the decree regarding Hobby Activities ("Liebhabeiverordnung") was published in the Federal Law Gazette No. II 89/2024.

For the rental of properties ("large rental"), the foreseeable period for achieving a total surplus from the start of the rental was extended from 25 to 30 years (respectively from 28 to 33 years from the first incurrence of expenses).

In case of small rental (in particular rental of apartments), the foreseeable period from the start of the rental was extended from 20 to 25 years (respectively from 23 to 28 years from the first incurrence of expenses).

The amendments apply to foreseeable periods beginning after 31 December 2023.

The decree can be accessed under the following link (German version only): https://ris.bka.gv.at/Dokumente/BgblAuth/BGBLA_2024_II_89/BGBLA_2024_II_89.pdf

Increase in the deductibility of church contributions

Income Tax Act

On 27 March 2024 an amendment to the Income Tax Act (Einkommensteuergesetz, EStG) on the deductibility of church contributions was published in the Federal Law Gazette No. I 12/2024.

Contributions to recognized churches and religious societies can be claimed as special expenses (Sonderausgaben) in accordance with Sec 18/1/5 EStG. The tax deductibility of church contributions has been increased from EUR 400 to a maximum of EUR 600 per year.

The increase is to be applied first for the assessment year 2024.

Increase in the deductibility of church contributions

The law can be accessed under the following link (German version only):

https://www.ris.bka.gv.at/Dokumente/BgblAuth/BGBLA_2024_I_12/BGBLA_2024_I_12.pdf

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