Austria: New tax on digital advertising and introduction of VAT liability of internet selling platforms

Subject to publication in the Austrian Federal Law Gazette, Austria will, inter alia, implement a new tax on digital advertising and liability of internet selling platforms for VAT due by suppliers using the platform.

Under the digital tax bill, a new tax of 5% on Austrian digital advertising revenue for all businesses which render or contribute to online advertising and have worldwide (group-)revenues of at least €750m and Austrian digital advertising revenue of at least €25m will be levied effective 1 January 2020. A digital advertising service is deemed to be rendered in Austria if it is received on a device of a user with Austrian IP address and if the content also aims at Austrian users. The place of taxation can also be determined with geo location tools.

A second measure in the tax bill strengthens Austria’s value added tax (VAT) regime for imports from non-EU countries. Under current legislation, no VAT is levied on imports of goods from non-EU countries if the value of such goods does not exceed €22. That minimum threshold of €22 will be abolished effective 1 January 2021. In addition, non-EU internet selling platforms will be treated as suppliers of cross-border mail order sales. Therefore, the platforms will have to pay VAT and will have to report all VAT information in Austria. In addition, the supply threshold for distance sales from EU countries to non-entrepreneurs in Austria (which currently stands at €35,000) will be abolished effective 1 January 2021, with the consequence that distance sales from other EU countries to non-entrepreneurs in Austria will be subject to Austrian VAT from the first Euro. Sales made by small businesses (of supplies up to €10,000 per annum) will still be subject to VAT in the other state.
Austria: New tax on digital advertising and introduction of VAT liability of internet selling platforms

A third measure aims to increase the reporting obligations of internet selling platforms that connect the buyers and sellers of goods and services. Operators will be obliged to report all bookings and revenue in Austria to the tax authorities from 2020 onwards if place of supply of the goods or services is in Austria. In addition, operators can be held liable for VAT due by the suppliers using the platform in order to enforce reporting obligations.

Austria: Amendments to the Beneficial Owner Register


An annual reporting requirement will be introduced. Amendments must be reported within four weeks from the due date of the annual review. In case no amendments are required, information in the beneficial owner register has to be confirmed.

Furthermore, a public access to the register will be introduced. In the future, anyone can electronically request a public extract from the registry authority, including information on direct and indirect beneficial owners and their country of residence.

From 10 November 2020, there will be an option for authorized legal professionals to submit all documents necessary to determine and verify beneficial owners as a compliance package. All entities subject to duty of care will be able to access the compliance package and thus comply with their obligations.

The EU Finance Amendment Act 2019 can be found under the following link: https://www.ris.bka.gv.at/Dokumente/BgblAuth/BGbla_2019_I_62/BGbla_2019_I_62.pdf sig

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