

Tax Short Cuts - English

Latest tax news for Austria
by EY

Budget Restructuring Measures Act 2025

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The government program 2025-2029 was presented by the three-party coalition (ÖVP, SPÖ and NEOS) on 27 February 2025 (see our Tax Short Cuts No. 5/2025 from 28 February 2025). As a result, the first package of budget restructuring measures was passed in the National Council meeting on 7 March 2025. The Budget Restructuring Measures Act 2025 (Budgetsanierungsmaßnahmenengesetz 2025, BSMG 2025) aims to implement various changes, including to the Income Tax Act, Corporate Income Tax Act, Value Added Tax Act, Fees and Insurance Tax Acts.

The most important changes at a glance:

Income Tax Act (Einkommensteuergesetz)

According to the 2025-2029 government program, the top tax rate of 55% shall be extended by four years until 2029.

Value Added Tax Act (Umsatzsteuergesetz)

The VAT exemption for the supply and installation of small photovoltaic systems is to be abolished from 1 April 2025. However, a transitional arrangement is planned for contracts concluded before 7 March 2025.

Insurance Tax Act (Versicherungssteuergesetz)

To date, motor vehicles with a CO₂ emission of 0 g/km are exempt from the motor-related insurance tax (motorbezogene Versicherungssteuer). From 1 April 2025, this tax exemption shall be adjusted so that only motorbikes whose electric motor output in kilowatts (KW) does not exceed 4 KW will be exempt. For further details, please refer to our Tax Short Cuts No. 6/2025 in German.



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Stability Levy Act (Stabilitätsabgabengesetz)

In order to increase the stability levy on the banking industry, the rates of the regular stability levy are to be raised. This should increase the annual revenue to EUR 200m. The stability levy shall amount to 0.033% (previously 0.024%) for those parts of the tax base that exceed an amount of EUR 300m and do not exceed EUR 20b and 0.041% (previously 0.029%) for those parts exceeding EUR 20b. In addition, the caps on the stability levy will be raised.

Additionally, the approved measures include a special payment for the calendar years 2025 and 2026, which shall generate about EUR 300m annually. The special payment shall amount to 0.050% for those parts of the tax base that exceed an amount of EUR 300m and do not exceed EUR 20b and 0.061% for those parts exceeding EUR 20b. In contrast to the stability levy, the special payment is not to be subject to a cap.

Energy crisis contribution - electricity (Energiekrisenbeitrag - Strom)

The revenue threshold from which the surplus profits are to be skimmed off shall be EUR 90 per megawatt hour (MWh; previously EUR 120) for periods from 1 April 2025 to 31 March 2030, provided the electricity generation plant was commissioned before 1 April 2025. In the case of later commissioning, the threshold is EUR 100 per MWh. Surplus profits shall be taxed at 95% (previously 90%). Beneficiary investments can still be offset. No energy crisis contribution - electricity will be levied for the period from 1 January to 31 March 2025.

Energy crisis contribution - fossil fuels (Energiekrisenbeitrag - Fossile Energieträger)

The energy crisis contribution - fossil fuels shall also be levied again for periods from 1 April 2025 to the end of 2029. The calculation of the assessment basis and the tax rate is to continue as before.

Further changes

The legal transaction fee for bets shall be increased from the current 2% to 5% of the stakes from 1 April 2025. Furthermore, the minimum excise duty on cigarettes shall be increased.

The draft of the BMSG 2025 can be accessed via the following link (German version only):

https://www.parlament.gv.at/dokument/XXVIII/BNR/14/fname_1671984.pdf

Submission of tax group applications via separate FinanzOnline function now available

Corporate Income Tax Act

As part of the Tax Amendment Act 2024 (Abgabenänderungsgesetz 2024), the possibility of submitting tax group applications via FinanzOnline was regulated by law (see our Tax Short Cuts No. 10/2024 of 14 May 2024 and No. 15/2024

Submission of tax group applications via separate FinanzOnline function now available

of 23 July 2024). On 6 March 2025, the MoF announced that the technical requirements in FinanzOnline have now been met and that tax group applications can therefore be submitted via FinanzOnline with immediate effect using a new separate function.

According to margin no. 1583 of Corporate Income Tax Guidelines 2013 (Körperschaftsteuerrichtlinien, KStR 2013), the submission of a tax group application via the "other applications" ("sonstige Anbringen") function is exceptionally still possible until 30 June 2025. From 1 July 2025, tax group applications can only be submitted via the new separate function. It will then no longer be accepted to submit applications via the "other applications" function.

Stamp Duties Guidelines 2025: Important changes at a glance

Stamp Duties Act

The MoF published the Stamp Duties Guidelines 2025 (Gebührenrichtlinien 2025, GebR 2025) on 26 February 2025. The guidelines were originally published in 2007 and reissued in 2019. Due to legal changes, in particular regarding the modernization of the Stamp Duties Act 1957 (Gebührengesetz 1957, GebG) and the introduction of new flat-rate duties, a comprehensive update was necessary. The structure of the Stamp Duties Guidelines 2019 was largely retained, but extensively expanded. The GebR 2025 are applicable from 1 April 2025 and serve as an aid to interpretation of the GebG. They deal with questions of doubt and interpretation problems of general importance and ensure uniform application of the current GebG by the tax authorities.

The most important changes at a glance:

- The distinction between definite and indefinite duration of existing contracts was clarified (no. 1326 et seq., 1337 et seq.).
- The housing exemption for the stamp duty on rental contracts was supplemented taking into account the current case law of the Administrative Court (no. 1353 et seq.).
- The option introduced by the Tax Amendment Act 2022 (Abgabenänderungsgesetz 2022) of self-calculation of the stamp duty on rental contracts by the tenant was included (no. 1376 et seq.).
- Statements have been included on the new exemption for powerline rights and for the prevention of flood damage as a result of the Tax Amendment Act 2024 (Abgabenänderungsgesetz 2024) (no. 1747 and 1749).
- An overview with brief explanations of selected stamp duty exemptions outside the GebG and their scope of application has been added (no. 1780).

Stamp Duties Guidelines 2025: Important changes at a glance

The GebR 2025 can be accessed via the following link (German version only):
<https://findok.bmf.gv.at/findok/resources/pdf/a1a2a991-a083-41b5-a4ef-b46774d2992e/83420.1.1.pdf>

Multilateral agreement: Standing Committee on Taxation Disputes

International Tax Law

Ten EU member states are currently negotiating a multilateral agreement to set up a standing committee to deal with the settlement of tax disputes in the context of arbitration proceedings. The countries involved are Austria, Bulgaria, Denmark, France, Germany, Ireland, the Netherlands, Poland, Spain and Sweden.

The planned committee is to provide permanently available panels to carry out the arbitration phase in tax dispute resolution proceedings quickly and efficiently. These panels will be supported by a secretariat. The group aims to conclude negotiations on the multilateral agreement in 2025.

The relevant MoF press release can be accessed via the following link (German version only):
<https://www.bmf.gv.at/presse/pressemeldungen/2025/februar/abkommen-schiedsverfahren.html>

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