

# Austrian Tax News

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## US Tax Reform and BEPS 2.0 Pillar 2: Consequences for Austrian entities

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In their Joint Statement dated 28 June 2025, the G7 countries announced a "Side-by-Side System", under which U.S. Multinational Enterprises (MNEs) will be excluded from the application of the Undertaxed Profits Rule (UTPR) and the Income Inclusion Rule (IIR), as they are already subject to a minimum tax regime in the United States. For Austrian entities, the EU minimum tax requirements remain applicable, including reporting obligations starting in 2026.

Key points of the G7 statement include:

- U.S. MNEs are excluded from the UTPR and IIR.
- A system will be developed to address a level playing field and BEPS risks.
- Simplifications for Pillar 2 are planned, particularly regarding administrative and compliance requirements.
- Changes in the treatment of substance-based non-refundable tax credits under Pillar 2 to better align with the treatment of refundable tax credits.

The G7 countries will continue discussions on the solution with members of the OECD Inclusive Framework. For Austrian entities, the EU Minimum Tax Directive and the Austrian Minimum Tax Act (Mindestbesteuerungsgesetz) remain in force. The G7 agreement raises further questions, and it remains to be seen what the final solution will look like. For now, Austrian MNEs are encouraged to continue implementing Pillar 2.

The following steps are required:

- Continued implementation of Pillar 2
- Disclosures in the 2025 financial statements regarding Pillar 2
- Preparation of a Minimum Tax Report for 2024 (by June 2026) and an Austrian Minimum Tax Return (by December 2026)
- Ongoing monitoring of developments and implementation of Pillar 2 compliance



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# MoF: Guidelines on Hobby Activities 2012, Maintenance Decree 2025

*Income Tax Act* On 24 June 2025, the MoF published the Maintenance Decree 2025 for the Guidelines on Hobby Activities (Liebhabereirichtlinien; 2025-0.445.567). The previous maintenance was carried out by decree dated 2 March 2021 (2021-0.103.698). The current decree incorporates the Tax Amendment Act 2024 (Abgabenänderungsgesetz 2024), the amended Hobby Activities Regulation (Liebhabereiverordnung) and the most recent case law of the Austrian Supreme Administrative Court into the guidelines.

*Value Added Tax Act*

The Hobby Activities Regulation was amended on 27 March 2024 (Federal Law Gazette II No. 89/2024) to extend the forecast periods for achieving an overall surplus for rental activities starting from 1 January 2024.

For large-scale rentals (e.g. leasing of buildings), the foreseeable period now amounts to 30 years from the beginning of the rental activity or 33 years from the first occurrence of expenses. In the case of rental of apartments or single-family homes, an overall surplus must be achieved within 25 years or 28 years from the first occurrence of expenses.

Furthermore, the decree dated 23 December 2019 (BMF-010102/0007-I/8/2019) has been incorporated (para. 199), stating that there is no obligation for individual record-keeping, cash register systems, or the issuance of receipts in cases of hobby activities.

The entire Maintenance Decree 2025 can be accessed via the following link (German version only): [Maintenance Decree 2025](#)

# MoF: Revised definition of motor vehicle under the Motor Vehicle Registration Tax Act from 1 July 2025

*Motor Vehicle Registration Tax Act* Effective 1 July 2025, the definition of motor vehicle in Sec 2 of the Austrian Motor Vehicle Registration Tax Act (Normverbrauchsabgabegesetz, NoVAG) has been amended (Federal Law Gazette I No. 26/2025).

Vehicles primarily designed for goods transport are no longer subject to NoVA, while those with up to 3.5 tons permissible total weight and four to nine seats intended for passenger transport, as well as vehicle classes L3e, L4e, L7e, and M1, remain covered. Classification is based on structural design and features, considering ECJ and Austrian Supreme Administrative Court rulings and road traffic regulations. For more information, please refer to the German version of the article on our [website](#).

The MoF-Info can be accessed via the following link (German version only): [MoF-Info on motor vehicle definition from 1 July 2025](#)

# Amendment to the Regulation Implementing the Electricity Tax Act

## *Electricity Tax Act*

With Federal Law Gazette II No. 121/2025 of 30 June 2025, an amendment to the Regulation Implementing the Electricity Tax Act concerning Electricity generated from Photovoltaic Systems (Verordnung zur Umsetzung des Elektrizitätsabgabegesetzes im Bereich mittels Photovoltaik erzeugter elektrischer Energie, ElAbg-ESBV) was published. The regulation defines the requirements for claiming a tax exemption on self-generated and self-consumed electricity from renewable sources, particularly photovoltaic energy.

For more information, please refer to the German version of the article on our [website](#).

The full Regulation can be accessed via the following link (German version only): [ElAbg-ESBV](#)

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