

Austrian Tax News

Latest tax news by EY

Location Safeguarding Act 2025 published in the Federal Law Gazette

Content

- 01 Location Safeguarding Act 2025 published in the Federal Law Gazette
- 02 Increased investment allowance published in the Federal Law Gazette
- 02 Wage Tax Guidelines – draft maintenance decree 2025
- 02 Tip flat rate for social security purposes as of 1 January 2026

On 31 October 2025, the Location Safeguarding Act 2025 (Standortabsicherungsgesetz 2025, SAG 2025) was published in the [Federal Law Gazette I No. 67/2025](#) (German version only). The SAG 2025 replaces the Electricity Cost Compensation Act 2022 (Stromkosten-Ausgleichsgesetz 2022). Based on Article 10a/6 of the EU Emissions Trading Directive 2003/87/EC, the SAG 2025 introduces a temporary subsidy scheme for the years 2025 and 2026 to relieve electricity-intensive companies that are particularly affected by increased electricity prices resulting from indirect CO₂ costs under the EU Emissions Trading System.

The subsidy is granted in the form of direct subsidy and covers up to 75% of the actual indirect CO₂ costs incurred. Eligible applicants are companies operating in the sectors listed in Annex 1 (list of NACE codes), including aluminium and steel production, paper and pulp production, and the chemical industry. Applications can be submitted for those plant components whose annual electricity consumption exceeds 1 GWh.

The granting of subsidies requires compliance with the subsidy guidelines, an internal or external energy audit, and ecological counter-obligations in the form of investments in energy-efficiency measures and decarbonisation measures amounting to at least 80% of the subsidy granted.

Applications for the subsidy regarding indirect CO₂ costs incurred in the calendar year 2025 must be submitted within six months of state-aid approval by the European Commission. For the calendar year 2026, applications must be submitted between 1 January 2027 and 30 June 2027. Up to EUR 75 million are available per year; if the amounts applied for exceed this volume, pro-rata allocation will be applied. Austria Wirtschaftsservice GmbH (aws) is responsible for administering the subsidy.



The better the question.
The better the answer.
The better the world works.



Shape the future
with confidence

Increased investment allowance published in the Federal Law Gazette

Income Tax Act
Corporate Income Tax Act

The law for the temporary increase of the investment allowance (Investitionsfreibetrag, IFB) was published on 3 November 2025 in the [Federal Law Gazette I No. 79/2025](#) (German version only) (see our [Austrian Tax News No. 24/2025 of 27 October 2025](#)).

For investments between 1 November 2025 and 31 December 2026, the IFB amounts to 20%, and 22% in the area of greening. If the acquisition or production is completed after 31 December 2026, the increased IFB applies only to partial amounts that were capitalized within the eligible period.

If investments in November and December 2025 exceed the pro-rata assessment base, the lower IFB for 2025 can be applied to the difference. Alternatively, the difference can also be carried forward to 2026.

Wage Tax Guidelines – draft maintenance decree 2025

Income Tax Act

The MoF has sent the draft of the Wage Tax Guidelines maintenance decree 2025 (Lohnsteuerrichtlinien-Wartungserlass 2025) for consultation until 26 November 2025. For more details, please refer to the [German version of this article](#).

Tip flat rate for social security purposes as of 1 January 2026

Social Security Act

With Federal Law Gazette I No. 77/2025 of 3 November 2025, an amendment to the General Social Security Act (Allgemeines Sozialversicherungsgesetz) and the Employment Contract Law Amendment Act (Arbeitsvertragsrechts-Anpassungsgesetz,) was published, introducing new schemes of tip flat rates for social security purposes as well as labour law information obligations. For more details, please refer to the [German version of this article](#).

Feedback

If you have any questions or suggestions or if you would like to be contacted please send an e-mail to: [Feedback](#)

Website

Get more information about our services, activities and events on our website: [ey.com/at](#)

Archive

Find all articles of this newsletter on our [website](#) or send us an inquiry to: [eyaustria@at.ey.com](#).

Unsubscribe

If you want to unsubscribe from this newsletter please send an e-mail that contains your name and your e-mail address to [ey.crm@ey.com](#).

Contact

International Tax

Roland Rief
+43 1 211 70 1257
roland.rief@at.ey.com

Markus Stefaner
+43 1 211 70 1283
markus.stefaner@at.ey.com

Transfer Pricing

Manuel Taferner
+43 1 211 70 1104
manuel.taferner@at.ey.com

Indirect Tax

Ingrid Rattinger
+43 1 211 70 1251
ingrid.rattinger@at.ey.com

People Advisory Services

Regina Karner
+43 1 211 70 1296
regina.karner@at.ey.com

Global Compliance & Reporting

Martin Lehner
+43 732 790 790 5618
martin.lehner@at.ey.com

Tobias Speigner
+43 662 2055 5266
tobias.speigner@at.ey.com

Transaction Tax

Andreas Sauer
+43 1 211 70 1625
andreas.sauer@at.ey.com

Editor and owner of the medium

Ernst & Young
Steuerberatungsgesellschaft
m.b.H. („EY“)
Wagramer Straße 19, IZD-Tower
1220 Vienna

Responsible Partner

Klaus Pfleger
+43 1 211 70 1179
klaus.pfleger@at.ey.com

EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, we help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

Our EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multi-disciplinary network and diverse ecosystem partners, we can provide services in more than 150 countries and territories.

The international network of EY Law, represented in Austria by Pelzmann Gall Größ Rechtsanwälte GmbH, offers comprehensive legal advice that complements the integrated service portfolio of EY.

All in to shape the future with confidence.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via [ey.com/at/privacy](#). For more information about our organization, please visit [ey.com/at](#).

© 2025 Ernst & Young
Steuerberatungsgesellschaft m.b.H.
All Rights Reserved.

This publication has been prepared for general informational purposes only and is therefore not intended to be a substitute for detailed research or professional advice. No liability for correctness, completeness and/or currentness will be assumed. Neither Ernst & Young Steuerberatungsgesellschaft m.b.H. nor any other member of the global EY organization can accept any responsibility.

[ey.com/at](#)