Austrian Tax News

Latest tax news by EY

Government Bill: Fraud Prevention Act 2025 for tax and social security

Content

On 20 November 2025, the government bill for the Fraud Prevention Act 2025 (Betrugsbekämpfungsgesetz 2025) was submitted to the Austrian Parliament. The 2025-2029 government program shall therby be further implemented in the area of fraud prevention with the aims of effectively preventing tax and social security fraud, promoting tax fairness and protecting honest businesses from unfair competition.

Income Tax Act (Einkommensteuergesetz, EStG)

In the construction industry, principal liability for wage-related taxes in the case of temporary staffing shall be exacerbated (Sec 82a EStG). For temporary staffing, the security deposit shall increase to 40% of the total contract volume (previously 25%), of which 32% is attributable to social security and 8% to wage-related taxes collected by the tax office.

Exemption from liability for temporary staffing shall also require the principal company to transfer a liability amount of 8% to the service center set up by the Austrian Social Security.

Value Added Tax Act (Umsatzsteuergesetz, UStG)

In future, the rental of properties for residential purposes shall be mandatorily exempt from VAT (without input tax deduction) if the property is considered particularly representative for residential use. A property shall be considered particularly representative if the proportional acquisition and/or construction costs exceed EUR 2m within five years from acquisition or the start of construction. This threshold also includes ancillary buildings and other structures such as garages, garden houses or swimming pools. Construction costs incurred to remedy damage caused by natural disasters shall be not taken into account. If the monetary threshold is exceeded within the five-year period, a proportional input tax adjustment is to be made.

For properties typically intended for the rental of multiple residential units (e.g. apartment buildings), the assessment shall be based on each individual rental unit.

Services provided by homeowners' associations for the maintenance, management or operation of the common property shall also be mandatorily exempt from VAT in connection with particularly representative residential properties. The regulation is scheduled to enter into force on 1 January 2026 and shall apply for the first time to properties acquired or constructed after 31 December 2025.

Financial Criminal Act (Finanzstrafgesetz, FinStrG)

Unjustified loss carry-forwards claimed in tax returns shall be classified as tax evasion (Sec 33 FinStrG), applicable for the first time to tax returns submitted after the Fraud Prevention Act 2025 enters into force.

Federal Fiscal Code (Bundesabgabenordnung, BAO)

The payment of taxes in cash shall only be possible up to EUR 10,000 per day. The new regulation intends to strengthen the fight against money laundering and terrorist financing on the one hand, and to simplify cash handling in the offices of the Austrian tax authorities on the other hand.

In addition, certain taxes paid and securities and liens provided prior to the opening of insolvency proceedings shall in future be protected from being contested under insolvency law. In addition to VAT paid, wage tax, withholding tax on profit distributions, and taxes levied by deduction, such as withholding tax pursuant to Sec 99 EStG, are to be protected against contestation. Likewise, liens and other securities (offered by the taxpayer himself or demanded by the tax authorities) are to be protected under insolvency law in future if they were created or acquired for tax purposes.

Motor Vehicle Registration Tax Act (Normverbrauchsabgabe, NoVA)

Effective 1 July 2026, the current NoVA (motor vehicle registration tax) refund model regarding the delivery or transfer of a NoVA-taxed vehicles abroad shall be abolished. In line with EU law requirements and options, it is instead planned to only partially levy NoVA in certain cases from the onset. Prerequisite is that the vehicle is provided only temporarily — i.e. for an uninterrupted period of no more than 48 months — by a person resident in the EU or EEA to a person resident in Austria, is registered for the first time in Austria, and is used temporarily in Austria. The reduction of NoVA must already be applied during registration and must be adjusted (including interest) if the period of provision is shortened or extended or if the conditions for the originally partially payable NoVA cease to apply (e.g. due to exceeding the maximum duration for temporary use). For any additional NoVA payable, registration must occur within one month after the conditions cease or the provision period is extended. If the provision period is shortened, the excess NoVA paid shall be refunded upon request. The calculation of any additional or refundable NoVA, as well as the applicable interest, must be carried out by the taxpayer.

Government Bill: Fraud Prevention Act 2025 for tax and social security

Crypto Mandatory Reporting Act (Krypto-Meldepflichtgesetz)

The new Crypto Mandatory Reporting Act intends to transpose Directive (EU) 2023/2226 amending Directive (EU) 2011/16 on the mandatory automatic exchange of information concerning reportable crypto service providers into Austrian law. Furthermore, it aims to regulate the implementation of administrative assistance between Austria and third countries within the framework of the global standard for the automatic exchange of information in the area of taxation of income from crypto assets.

Common Reporting Standard Act (Gemeinsamer Meldestandard-Gesetz)

The Common Reporting Standard Act shall be extended to digital financial products such as e-money, digital central bank currencies, and certain crypto assets, and the due diligence and reporting obligations of financial institutions shall be expanded. Accompanying amendments shall be made to the EU Administrative Assistance Act (EU-Amtshilfegesetz), the EU Mandatory Disclosure Act (EU-Meldepflichtgesetz) and the Digital Platform Reporting Act (Digitale Plattformen-Meldepflichtgesetz).

Social security contributions

With the Fraud Prevention Act 2025, insolvency law privileges are planned in the area of social security. Contributions paid, as well as securities and liens provided for this purpose, shall no longer be contestable under insolvency law, provided that the debtor's assets are sufficient to cover at least the start-up costs of the insolvency proceedings.

The above-mentioned new regulations are scheduled to enter into force on 1 January 2026.

For further details please refer to the German version of this article.

The further legislation remains to be seen.

Contact

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.

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