

# Austrian Tax News

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## Sustainability Reporting Act adopted by the Austrian Parliament

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On 5 February 2026, the [Sustainability Reporting Act](#) (Nachhaltigkeitsberichts-gesetz, NaBeG; German version only) was adopted by the second chamber of the Austrian Parliament and is expected to be published in the Federal Law Gazette shortly.

The NaBeG implements the [EU Corporate Sustainability Reporting Directive 2022/2464](#) (CSRD) into Austrian law with a time delay and also considers the EU Omnibus I Package. Provisions are implemented into the Austrian Commercial Code (Unternehmensgesetzbuch, UGB) - with adjustments in other laws - and initially only for large companies of the "first wave". Therefore, the existing provisions on non-financial reporting will be adapted. Sustainability reporting shall be given the same status as financial reporting. In addition, the system of mandatory penalties will be expanded and penalties will increase. The NaBeG also regulates the mandatory auditing of sustainability reporting and the digital publication of sustainability reports.

With the Third Country Reporting Act (Drittlandunternehmen-Berichterstattungsgesetz), subsidiaries and branches of third country corporations will also be subject to sustainability reporting.

In future, companies will have to document the date of preparation and the version of the annual financial statements. This documentation can continue to be provided by signing the annual financial statements. This means that the requirement for a signature, which is not provided for under EU law, will be abandoned. This regulation also applies to corporations and capitalist partnerships.

With Sec 198/7 UGB, Austria had previously implemented the option for a capitalization requirement for a disagio (with annual amortization). This capitalization requirement will be abolished. A provision is included in



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Sec 211 UGB stipulating that significant expenses directly related to the borrowing of debt capital must in future be allocated over the expected term of the liability. The allocation must be made using the effective interest method (financial mathematics). These changes shall be applicable for annual financial statements of fiscal years beginning after 31 December 2026.

When disclosing annual financial statements after 30 June 2026, the legal representatives of a parent company must declare at the latest upon submission whether the company is subject to consolidated reporting requirements in the relevant reporting year and, if not, which exemption applies (Sec 280/3 UGB). A penalty may be imposed if no declaration is made.

The draft bill of January 2025 still included the obligation for holding companies to determine size categories based on consolidated thresholds. This change was not adopted, and the regulation continues to apply only to stock corporations. Likewise, the tightening of the penalty regime regarding disclosure obligations was not included in the final text of the law.

## Reporting obligation for certain payments until 28 February 2026

*Income Tax Act* Entrepreneurs and public corporations that made any of the payments listed below in the calendar year 2025 are obliged to submit an electronic report to the tax office via ELDA by 28 February 2026 at the latest.

### **Reporting obligation pursuant to Sec 109a Austrian Income Tax Act (Einkommensteuergesetz, EStG)**

Remuneration paid to individuals or associations of persons for services outside of an employment relationship, in particular payments for services provided by freelancers, supervisory or administrative board members, foundation board members, lecturers, teachers and instructors, officials of public corporations, private business intermediaries, home loan bank or insurance representatives and colporteurs or newspaper delivery staff, must be reported. The contractor must be provided with a copy. The contractor must report the income separately in his tax return.

A reporting may be omitted if the fee paid to a contractor in the calendar year (including any travel expense reimbursements) does not exceed EUR 900 in total and does not exceed EUR 450 per individual service (including any travel expense reimbursements).

### **Reporting obligation pursuant to Sec 109b EStG**

Payments made abroad for services rendered in Austria from self-employment pursuant to Sec 22 EStG (in particular freelance professions, as well as supervisory board members, foundation board members and managing directors with a significant shareholding) must be reported, as well as intermediary services provided by persons with unlimited tax liability or relating to Austria, and commercial or technical advisory services in Austria, regardless of whether advisory or intermediary services are provided by the service provider within or outside his business. Commercial or technical advisory services require a physical presence in Austria.

## Reporting obligation for certain payments until 28 February 2026

A reporting is not required if the fee paid to a service provider in the calendar year does not exceed EUR 100,000, a tax deduction in accordance with Sec 99 EStG (but without relief at source) is made, or in the case of payments to foreign corporations that are subject to a tax rate of at least 13% abroad (value from 2024).

In the case of a reporting obligation pursuant to Sec 109a EStG and Sec 109b EStG, only a single notification pursuant to Sec 109b EStG must be submitted (e.g. for foundation board and supervisory board members).

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