

Austrian Tax News

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Government Bill: Budget Accompanying Act 2027-2028

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01 Government Bill: Budget Accompanying Act 2027-2028

On 10 June 2026, following the Minister of Finance's budget speech in the Austrian Parliament, the [Government Bill on the Budget Accompanying Act 2027-2028](#) (Budgetbegleitgesetz 2027-2028) was submitted to the Parliament. The measures announced by the Federal Government on 28 April 2026, reported on in our [Austrian Tax News of 11 May 2026](#), have since been further specified and are now reflected in the draft legislation. The resolution by the Parliament is scheduled for 10 July 2026. The Bill provides for numerous amendments in the area of income taxation as well as in other tax legislative areas.

In summary, the following changes are envisaged in particular:

Corporate Income Tax Act (Körperschaftsteuergesetz)

For fiscal years beginning after 31 December 2027, a corporate income tax rate of 24% shall apply to income exceeding EUR 1 million for both unlimited and limited taxpayers (no pro rata application for deviating fiscal years). For taxable income up to EUR 1 million the corporate income tax rate remains at 23%. A progression clause shall be introduced for foreign income that is exempt under a double taxation treaty. The new progressive tax rate will also apply to tax groups at the level of the group parent for the entire group income.

Corporate income tax prepayments for 2028 of unlimited taxpayers shall increase by 4.5% where the prepayments are based on income exceeding EUR 1 million.



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A deemed distribution rule shall be introduced for receivables on shareholder current accounts (new Sec. 8/2a CITA). This shall apply where receivables of the company against its direct or indirect shareholders who are individuals, are not settled by the balance sheet date or not converted into an arm's length, interest-bearing loan receivable. The arm's length standard shall be assessed in particular based on case law principles for agreements between related parties, including written form, collateral, term, interest and creditworthiness assessment. A de minimis threshold of EUR 50,000 shall be available for shareholders with a direct or indirect participation of at least 10%. The provision shall apply for the first time to fiscal years ending in the calendar year 2027.

Income Tax Act (Einkommensteuergesetz)

For the private use of employer-provided vehicles with zero CO₂ emissions, a taxable non-cash remuneration shall be introduced for employees (previously nil). As of the payroll period January 2027, this shall initially amount to 0.375% of the gross acquisition costs including VAT and motor vehicle registration tax (capped at EUR 180 per month) and increase to 0.625% (capped at EUR 300 per month) as of January 2028. The rule shall apply from January 2027 to all company cars with zero CO₂ emissions made available for private use. According to the explanatory notes, these values are not to be further adjusted until 2030. Since the taxable non-cash remuneration in kind is generally used as the basis for calculating the tax on the provision of company cars for VAT purposes, the planned change will also lead to VAT liability for privately used vehicles with zero CO₂ emissions in the future. For the private use of employer-owned bicycles or motorcycles with a CO₂ emission value of zero, the non-cash remuneration in kind remains unchanged at zero.

In the case of real estate sales, the percentage for lump-sum acquisition costs for real estate acquired before April 2012 (Altvermögen) shall be reduced. In cases of rezoning, a reduction from 40% to 30% of the sales proceeds is envisaged (increasing the effective tax burden from 18% to 21%), and for other properties from 86% to 80% (increasing the effective tax burden from 4.2% to 6%). The rule shall apply to sales after 31 December 2026, with the relevant point in time being the underlying transaction, not the receipt of income.

Electricity companies were able to claim declining-balance depreciation for tax purposes until 31 December 2025 even if not recognized under Austrian GAAP. For these companies, the applicable depreciation rate shall temporarily decrease to 10% for the years 2027 to 2029. This applies to assets acquired or produced since the introduction of declining-balance depreciation up to 31 December 2025.

Other key amendments

- To relieve businesses, the employer contribution (Dienstgeberbeitrag) to the Family Burden Equalisation Fund (Familienlastenausgleichsfonds) shall be reduced by one percentage point from 3.7% to 2.7% as of the calendar year 2028, thereby lowering non-wage labor costs.
- The current exemption from the employer contribution for individuals over the age of 60 shall be abolished.
- The currently increased stability levy (Stabilitätsabgabe) for banks shall remain in place until the end of the calendar year 2029. The special payment under the stability levy shall be extended until the end of 2028.

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- The valuation rules under the Valuation Act (Bewertungsgesetz) for shares and securities shall be amended, with implications a.o. for donations to private foundations (Foundation Entry Tax (Stiftungseingangssteuergesetz)) and exit taxation. In the future, the fair market value may also be derived from a single transaction, provided it relates to a comparable participation in terms of size and rights. Subsequent transactions may be taken into account as retroactive events if comparable.
- The relief measure pursuant to Sec. 25 of the National Emissions Certificate Trading Act (Nationales Emissionszertifikatehandelsgesetz) shall be continued in 2026 and 2027. For these years, an agricultural diesel refund is envisaged for agricultural and forestry businesses (administration to be continued by Agrarmarkt Austria).

The further legislative process remains to be seen.

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