Austrian Tax News

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Budget Accompanying Act 2027-2028 published in the Federal Law Gazette

Content

On 29 July 2026, the Budget Accompanying Act 2027-2028 (Budgetbegleitgesetz 2027-2028) was published in the Federal Law Gazette I No. 62/2026 (German version only) and thereby entered into force. As reported in our Austrian Tax News of 15 June 2026, the Government Bill on the Budget Accompanying Act 2027-2028 was submitted to the Parliament on 10 June 2026. A key tax relief measure is the reduction of the employer contribution (Dienstgeberbeitrag) to the Family Burden Equalisation Fund (Familienlastenausgleichsfonds) from 3.7% to 2.7% as of 2028. In contrast, the CIT on income exceeding EUR 1 million increases from 23% to 24% as of 2028. For the private use of company cars with zero CO_2 emissions, a taxable non-cash remuneration applies as of 2027.

In the course of the further parliamentary proceedings, an amendment dated 30 June 2026 was incorporated. Compared to the Government Bill, the following changes were made:

- The deemed distribution rule for receivables on shareholder current accounts newly introduced under Sec. 8/2a of the Corporate Income Tax Act (Körperschaftsteuergesetz) was further specified. It is clarified that receivables against related parties are also covered, and that the rule also applies to indirect shareholdings. If no settlement is made by the balance sheet date, the receivable amount is deemed to have been openly distributed as of the day following the resolution on the adoption of the financial statements, but no later than five months after the balance sheet date (and not already on the day following the balance sheet date). The de minimis threshold of EUR 50,000, up to which the deemed distribution rule does not apply, is applicable irrespective of the percentage of the shareholding.
- It was clarified that, for the purposes of the new progressive CIT rate, foreign income that is exempt from taxation in Austria is to be disregarded, and that a progression clause is thereby excluded.

- The marginal earnings threshold (Geringfügigkeitsgrenze) in social security will not increase in 2027 and remains unchanged at EUR 551.10 per month.

Energy Crisis Contribution - Electricity 2024: Constitutional Court initiates legislative review process

Energy Crisis Contribution - Electricity

With decision from 1 July 2026 (E 405/2025, German version only), the Austrian Constitutional Court (Verfassungsgerichtshof, VfGH) has initiated a legislative review process concerning key provisions of the Energy Crisis Contribution - Electricity (Energiekrisenbeitrag-Strom, EKB-S) for the 2024 assessment period. While the VfGH had so far confirmed the constitutionality of the levy for 2022 and 2023, doubts now arise as to whether the continued skimming of surplus revenues remains objectively justified from 2024 onwards.

The review focuses in particular on the classification of the EKB-S as an exclusive federal levy, the tax base of the surplus revenue skimming, and the group of persons subject to the levy, limited to electricity producers. In addition, the VfGH questions, following the expiry of the EU Emergency Framework under Regulation (EU) 2022/1854 and the easing of the electricity markets from 2024 onwards, whether a sufficient objective justification for the levy still exists and whether its design is compatible with the principle of equality.

The decision of the VfGH remains to be seen. Affected companies should examine whether procedural options are still available to file an appeal in due time and to benefit from the initial case effect (Anlassfallwirkung). Our Austrian EY tax experts are happy to discuss any questions you may have.

Update of the Cash Register Decree

Cash Register Decree

On 23 June 2026, the Austrian MoF updated the Cash Register Decree (2026-0.531.449, German version only). The revised version, applicable as of 1 July 2026, takes into account the statutory changes that have occurred in the meantime and contains editorial adjustments. For better readability, the changes have been consolidated into a new decree. Upon publication of the new decree, the previous decree of 23 December 2019 no longer constitutes as an interpretation aid.

Regarding the new VAT rate of 4.9%, the decree contains in particular the corresponding technical allocation for cash register systems. Revenue subject to a tax rate of 4.9% is to be allocated to the field "Betrag-Satz-Besonders" ("Amount-Rate-Special"). Further detailed information on the application of the new tax rate can be found in the relevant FAQs of the MoF (German version only).

Employer Levy Act: Amendment published in the Federal Law Gazette

Employer Levy Act

Employer levy (Dienstgeberabgabe) serves to finance the health, pension and unemployment insurance of marginally employed persons and is to be paid by employers who employ several marginally employed persons. On 29 July 2026, the amendment to the Employer Levy Act (Dienstgeberabgabegesetz) was published in the Federal Law Gazette I No. 73/2026 (German version only). This adjusts the levy rate for the flat-rate employer levy in two steps.

As of 1 January 2027, the levy rate increases from currently 19.4% to 23%. As of 1 January 2030, the levy rate will be reduced to 21%.

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