

# AUSTRIA

As per 1 January 2017

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## EXPATRIATE AND EMPLOYER TAX COMPLIANCE AND ADVISORY

<b>Tax rate</b>	Progressive tax rate : 0% – 55%; (income below EUR 11,000 will not be taxed).
<b>Tax period</b>	Calendar year.
<b>Tax residency / Domicile according to domestic law</b>	Domicile in Austria or habitual place of residency in Austria. Present for more than 183 days in a calendar year in Austria.
<b>Tax registration</b>	At arrival before the first working day.
<b>Employment income definition</b>	Any remuneration and benefit in cash or in kind received by an employee for services rendered under an employment agreement (e.g. school fee reimbursements, benefits in kind, cost of living allowances, home leave reimbursements, housing allowances).
<b>Examples of tax exemption</b>	Travel expense allowances, relocation expenses, stock options if certain criteria are met.
<b>Specific expatriate concession</b>	If several requirements are met, the employer is allowed either to exempt specified expenses (double housing expenses, expenses for trips home, relocation expenses) from payroll withhold tax or to apply a tax deductible amount of up to KEUR 10 p.a.
<b>Income of board members</b>	Depending on the legal form of the Austrian entity board members achieve income from independent or dependent personal service.
<b>Tax returns</b>	The employer is responsible for the monthly tax compliance. An income tax return may be filed voluntarily within 5 years.  Self-employed persons have to file an income tax return until the end of April of the following year. This period can be extended until end of June in case of electronic filing and even longer by a tax representative.
<b>Tax payments</b>	Self-employed persons have to make quarterly tax prepayments. In case of an employment contract, income tax is withheld by the employer and paid to the tax authorities.

## TAX TREATIES

<b>Employment income / income from board members</b>	Art 15/16 Model OECD Tax Convention
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## INTERNATIONAL SOCIAL SECURITY

<b>Cross border employments</b>	EU Regulation No 883/2004 and EU regulation No. 1408 / 71.
<b>Exception under Art 16 of Reg. 883/2004 and Art 17 of Reg. 1408/71</b>	Generally applicable.

**Social Security Cost as % from gross salary and absolute amounts**

For employment income:  
accident insurance : 1,30% (thereof payable by employee: 0%)  
health insurance : 7,65% (thereof payable by employee: 3,87%)  
pension insurance : 22,80% (thereof payable by employee : 10,25%)  
unemployment insurance : 6,00% (thereof payable by employee : 3,00%)  
severance contribution : 1,53% (thereof payable by employee : 0%)  
other : 0,85% (thereof payable by employee: 0,5%)

**IMMIGRATION**

**Work permit**

Foreigners that are neither EU nor EEA nationals need a residence permit as well as a work permit in order to be allowed to start work in Austria. The Austrian authorities issue three types of work permits: Restricted work permit (Beschäftigungsbewilligung for one year), Work permit (Arbeitserlaubnis for two years), Unrestricted work permit (Befreiungsschein for five years);

The restricted work permit is issued for a specific job and employer at a specific location. After having worked (using the restricted permit) for one year an application for the real work permit- Arbeitserlaubnis, valid for one specific district within Austria and allowing to change employer can be filled.

After two years the work permit can be renewed. After having worked legally for five years, an application for the unrestricted permit-Befreiungsschein, is possible.

**Visa**

EEA-citizens who stay longer than three months have to apply for a special ID-card (EWR-Lichtbildausweis) which includes residence permit. The process for receiving full rights to stay in Austria for non EEA-citizens includes several steps and depends. Tourists can apply for a class C visa which allows to travel through all EU-countries that are part of the Schengen Area. Austria is a signatory of the Schengen Convention. A visa issued by any of the Schengen countries is valid also for Austria. The class D visa allows a stay for a maximum 6-months stay in Austria.

**Residency permits / registration certificate**

There are three types of residence permits: Visa (for short stays or visits), stay permit (Aufenthaltserlaubnis: for working or studying but not settling in Austria), residence permit (Niederlassungsnachweis: for settling in Austria); The applications needs to be filed be before entering Austria. There are some exceptions to this rule for US citizens and highly qualified individuals.

**Driving license**

EU and EEA driving licences are valid in Austria and need not be exchanged for an Austrian licence. In general, holders of a driver´s licence from non – EU or non EEA states must successfully pass a behind-the-wheel driving test and also exchange their licence for an Austrian one within 6 months of taking up residence in Austria. (Certain exceptions for: Croatia, Switzerland, Japan, Monaco, etc.)

**STOCK OPTION PLAN**

The exercise of a stock option leads to taxable income from employment.



([http://publicationsdrafts.ro/expat-tax-2014/wp-content/uploads/2014/01/Guenther-Mayrleitner\\_profile.png](http://publicationsdrafts.ro/expat-tax-2014/wp-content/uploads/2014/01/Guenther-Mayrleitner_profile.png))

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