

AUSTRIA

As per 1 January 2019

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EXPATRIATE AND EMPLOYER TAX COMPLIANCE AND ADVISORY

Tax rate	Progressive tax rate : 0% – 55%;
Tax period	Calendar year.
Tax residency / Domicile according to domestic law	Domicile in Austria or habitual place of residency in Austria. Present for more than 183 days in a calendar year in Austria.
Tax registration	At arrival before the first working day.
Employment income definition	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).
Examples of tax exemption	Travel expense allowances, relocation expenses, stock options if certain criteria are met.
Specific expatriate concession	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.
Income of board members	Depending on the legal form of the Austrian entity board members achieve income from independent or dependent personal service.
Tax returns	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.
Tax payments	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

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

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

<p>Work permit</p>	<p>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 (Arbeiterlaubnis for two years), Unrestricted work permit (Befreiungsschein for five years);</p> <p>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-Arbeiterlaubnis, valid for one specific district within Austria and allowing to change employer can be filled.</p> <p>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.</p>
<p>Visa</p>	<p>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 also valid for Austria. The class D visa allows a stay for a maximum 6-months in Austria.</p>
<p>Residency permits / registration certificate</p>	<p>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 before entering Austria. There are some exceptions to this rule for US citizens and highly qualified individuals.</p>
<p>Driving license</p>	<p>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.)</p>
<p>STOCK OPTION PLAN</p>	<p>The granting of stock options may lead to a taxable salary income.</p>

ARTICLE 15 OF THE OECD MODEL

<p>183 days</p>	<p>Number of days of abode within the territory of Austria including:- working days – weekly rest days (weekends) – vacation days – days of sickness or occupational accident days off – part days in Austria – days of departure and arrival – public holidays – short interruptions (training, strike days,...) Depending on the exact wording of the DTT to apply, the total of days of abode in (i) either any 12-months-period beginning/ending in the respective year or in (ii) the respective calendar/tax year itself must be added up.</p>
<p>Notion of employer</p>	<p>In the case of personnel lease agreements, the principle of “economic employership” prevails, meaning that the entity bearing the employee’s personnel costs (the lessee) is deemed “employer” in the sense of Art 15 para 2 OECD MC. No PE is normally assumed in the case of personnel lease agreements. In the case of service agreements, the (economic and legal) employership is deemed to remain with the service provider. However, the PE issue has to be scrutinized in detail.</p>
<p>Existence of a permanent establishment</p>	<p>Depending on the criteria of the DTT to apply. If no DTT is applicable -> national Austrian criteria apply:</p> <ul style="list-style-type: none"> – carrying on a business in a PE in Austria – dependant representatives acting on behalf of the company in Austria – real estate income or gains in Austria



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