Investing in Vienna, Austria: Tax environment

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Austria – General Tax Environment
Overview of corporate taxation

Corporate income tax rate of 25%
- Accounting principles: Austrian Commercial Code for annual financial statements. Accounting profit, adjusted for tax purposes, as basis for 25% corporate income tax.
- 100% international participation exemption for qualifying dividends and capital gains (10% interest, one-year holding period, taxation/activities test).
- CFC taxation (immediate taxation of profits earned by subsidiaries) only for low-taxed passive income subsidiaries.
- Domestic and cross border tax consolidation.
- No withholding tax on interest payments in many cases.
- Loss carry forward (indefinite; 75% utilization limit). Temporary loss carry back to 2019 (potentially 2018).

Domestic dividend withholding tax rate is 25% (dividends to corporations) or 27.5% (dividends to individuals), reduced to lower rates or 0% by treaties and EU-Directive
- EU Directives provide for relief from WHT on dividends, royalties, and interest and facilitate cross-border mergers.
- No withholding tax on capital repayments.
- No Austrian right to tax capital gains from disposal of Austrian shares under most tax treaties.

Extensive tax treaty network with over 90 jurisdictions
- Several treaties include a very beneficial framework for cross-border transactions, e.g. with Turkey and Kazakhstan

Other features
- Advance Rulings are available on international tax, transfer pricing and other tax matters.
- 14% R&D cash tax premium.
- Social security contributions (subject to caps), payroll tax (progressive rate brackets) and ancillary wage-related charged are withheld by the employer.

For details, go to:
- https://www.dits.deloitte.com/#Jurisdiction/54
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