

Breaking Tax News Tackling taxes



Highlights of the Draft for Amendments to Tax Law due to Federal Budget for 2011-2014 ("BBG 2011-2014"): Part II: Other Amendments

In our BTN No. 24 on October 29, 2010 we informed on the initial draft of the Amendments to Tax Law due to BBG 2011-2014: Henceforth the Governmental Bill which was altered in some points has been published. The draft comprises the following miscellaneous amendments:

Amendments to Stamp Duty Act:

- **Stamp duties for loan and credit contracts abolished:** Stamp duties are only levied in case stamp duty relevant deeds on loans/credits are signed before January 1, 2011. Stamp duties on securities for loans/credits are abolished by then as well.

Amendments to Reorganization Tax Act (UmgrStG):

- **Fictional dividend distributions for changes of corporate forms:** Loop holes regarding the calculation of the fictionally distributed amount subject to withholding tax (KESt 25 %) according to Art II UmgrStG are closed for reorganizations resolved after December 31, 2010.

Amendments to Motor Vehicle Tax Act:

- **Reduction of motor vehicle tax:** The tax for motor vehicles at a weight beyond 3.5 tons is reduced as of January 1, 2011.

Amendments to Energy Tax Refund Act:

- **Limitation of refunds:** As of January 1, 2011 only businesses primarily engaged in actual production are entitled to refunds (preclusion of service businesses).

Amendments to Standard Fuel Consumption Charge Act, Petroleum Tax Act and Tobacco Tax Act:

- **Increased Tax Rates:** Tax rates are increased as of January 1, 2011 (Petroleum Tax Act and Tobacco Tax Act) and as of March 1, 2011 (Standard Fuel Consumption Charge Act).

Introduction of Stability Tax Act and Flight Tax Act:

- **"Bank Tax" (effective as of January 1, 2011):** The tax base is the average balance sheet total per 2010 (i.e. arithmetic average of quarterly net asset statements according to Sec 74 BWG and audited B/S total for 2010) reduced by secured deposits, share capital and reserves. No tax is levied if the average B/S total does not exceed 1 billion EUR; the tax rate amounts to 0.055% if the average B/S total is between 1 billion and 20 billion EUR and to 0.085% if the average B/S total exceeds 20 billion EUR; the tax base is reduced by a tax allowance of 1 billion EUR. In addition, a surcharge of 0.013 % on the derivative transaction volume is levied. The banking tax which is deductible as a tax expense has to be self-assessed by the taxpayer; the tax falls due quarterly.
- **Flight Tax:** Any flights of individuals departing from an airport within Austria are subject to flight tax. The tax amounts to EUR 8 for short distance flights, EUR 20 for middle distance flights and EUR 35 for long distance flights per individual. The tax has to be self-assessed by airport operators (reimbursement with air lines) and falls due quarterly. Flights taking place after March 31, 2011 are subject to the flight tax, in case the underlying legal transaction was concluded after December 31, 2010.

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