

Breaking Tax News Tackling taxes



Legal changes regarding the usage of company cars

As part of the Austrian tax reform 2015/16 the present regulations concerning the payment in kind for using a company car are modified effective from January 1, 2016 as follows:

Higher taxes for cars with a higher CO₂-emission. From January 1, 2016 onwards, there has to be considered a payment in kind within the payroll of 2 % of the actual acquisition costs of the car (including VAT and nova), at a maximum of EUR 960 per month. This concerns company cars which can be used from the employee also for non-occupational caused journeys (including journeys between residence and workplace). The value of 2 % should apply from a CO₂-emission more than 130g/km.

Lower payment in kind for cars with a lower CO₂-emission. For cars with a CO₂-emission of 130g/km or less, a fringe benefits of 1,5 % (with a maximum of EUR 720 per month) should apply. To stay abreast of technological changes in the range of motorized drives and the decreasing CO₂-emission values thereby, the limit value of the CO₂-emission will be reduced by 3 gram per year until 2020, initiating from 2017.

For which cars applies the new legislation? The CO₂-emission value of 130g/km is relevant for all those cars purchased in 2016 and prior to that. If the CO₂-emission value of the car purchased in 2016 amounts 130g/km or less, the reduced tax rate of 1,5 % applies also for the subsequent years. In 2017 for example, a car with a CO₂-emission value of 126g/km can also be taxed with the reduced tax rate of 1,5 % not only in 2017 but also in the subsequent years.

Full exemption for cars with a CO₂-emission of zero.

For motor vehicles with a CO₂-emission of 0g/km (electric car) no payment in kind has to be considered for the years 2016-2020 (so called "Hybrid-cars" however are not covered). This exemption for motor vehicles with a CO₂-emission of 0g/km is temporary for a period of five years.

Several company cars. If an employee has the possibility to use several company cars, the average value of the acquisition costs of all cars and the average value of the applicable percentage is relevant. Should there be only one car with a benefit in kind of 2 %, a maximum of EUR 960 per month has to be applied, in all other cases a maximum of EUR 720 per month.

Your Deloitte Tax Advisor will be happy to answer your questions.