

# Completion instructions for the income tax return (E 1) for 2020 and the supplement to the income tax return for individual entrepreneurs (operating income) for 2020 (E 1a)

Legal quotations without further designation refer to the Austrian Income Tax Act 1988 (EStG 1988) in the version applicable for 2020. **Income** is the **profit** in the case of income from agriculture and forestry, self-employed work and commercial operations, and the **surplus of revenue over income-related expenses** in the case of other types of income. Detailed tax information can be found in the Austrian Income Tax Guidelines 2000 (ESTR 2000) at [bmf.gv.at/Steuern/Findok](http://bmf.gv.at/Steuern/Findok).

## A) Explanations to the income tax return (E 1) for 2020

**1** For children living in Austria, the **single-earner tax credit** is **€ 494** per year for one child and **€ 669** for two children. The amount of **€ 669** is increased by **€ 220** each for the third and each additional child. For children living in another EU country, Switzerland, Liechtenstein, Norway or Iceland, the Family Bonus Plus Tax Deductions EU Adjustment Regulation stipulates that amounts adjusted to the price level in the respective country must be considered instead. If necessary, the relevant values are automatically taken into consideration.

The requirements for the single-earner tax credit are that you have been married or registered partners for more than six months in a given year, that you have not lived permanently separated from your partner, that you have received family allowance for at least seven months for at least one child in a given year, and that your partner has received a total income of no more than **€ 6,000**. The single-earner tax credit is also due in a domestic partnership that has existed for more than six months in the respective year if either partner has received family allowance for at least one child for at least seven months. Where reference is made in the following to "spouse/partner", this refers to married persons as well as cohabitantes and registered partners with at least one child. The single-earner tax credit is due only once per marriage/partnership, namely to the spouse/partner with the higher income; in case of equal income, in case of doubt the householding spouse/partner. Income from capital assets must be considered when calculating the income limits for the single-earner tax credit also if it is subject to final taxation with the capital gains tax deduction or is subject to a special tax rate of 25% or 27.5%.

**2** You are entitled to the **single-parent tax credit** if you have not lived in a partnership for more than six months in the respective year and have received family allowance for at least one child for at least seven months. The same rules apply to the amount of the single-parent tax credit as to the single-earner tax credit (see Note 1).

**3** You are entitled to a **multiplechild bonus** if you have received family allowance for at least three children alone or together with the other parent in 2020, at least partially, and the (family) income revenue for 2020 has not exceeded the amount of **€ 55,000**. You will receive the **multiple-child bonus for 2021** with the income tax assessment for **2020**. It amounts to **€ 20 per month** for the third and every additional child. The taxable income is to be used as (family) income revenue. The income-related expenses, special expenses and extraordinary burdens to be considered in the assessment must be deducted when determining the taxable income. Your taxable income revenue and the taxable income revenue of your spouse/partner must as a

rule be added up to determine the amount of your family income. No aggregation will be made if you have not lived with your spouse/partner in the same household for more than 6 months in 2020, or if the income revenue of either spouse/partner is negative. The multiplechild bonus is as a rule payable to the recipient of the family allowance. The spouse/partner of the recipient of the family allowance can likewise apply for the multiplechild bonus in his/her employee tax assessment (Form L 1 or E 1) or by using Form E 4. In this case, the recipient of the family allowance must submit a statement of waiver to the tax office upon request. If both parents receive family allowance for children living in the same household, one of the parents can apply for the multiplechild bonus if the other parent gives his or her consent.

**4** If you exercise the **standard taxation option for capital yields**, your domestic capital yields eligible for final taxation (with deduction of capital gains tax) and/or the foreign capital yields to be included in the assessment (without deduction of capital gains tax) to which a special tax rate is applicable will be taxed according to the general tax rate. The standard taxation option can always be exercised only for all capital yields (operating and private). In this case, all domestic capital yields for which final taxation is provided with the capital gains tax deduction are to be included in the declaration (codes **780/782/784** and **917/918/919** for operating capital yields and Supplement E 1kv for private capital yields, respectively). The withheld capital gains tax is credited against the tax incurred in the assessment.

Please note:

- that you have to decide for yourself whether the standard taxation is more advantageous for you (no automatic favourability comparison),
- the refund of the capital gains tax is limited in cases in which a single-earner tax credit or a child deduction is arranged (see Item 3 of Supplement E 1kv) and
- deduction of income-related expenses is not permissible.

The standard taxation option for capital yields can be exercised independently of the standard taxation option for income from real estate sales.

**5** If you exercise the **standard taxation option for income** from real estate sales and withdrawals of business premises to which the special tax rate is applicable, this income is taxed according to the general tax rate. The standard taxation option can be exercised only for all (operational and private) income. In this case, all such income must be included into the declaration (codes **500/501/502** for operational income and codes **985/986/987** or **572/573/574** for private income, respectively). A withheld real estate income tax or a special advance

payment made will be credited against the tariff tax incurred in the assessment. Please note that you have to decide for yourself whether the standard taxation is more advantageous for you (no automatic favourability comparison). The standard taxation option for real estate can be exercised independently of the standard taxation option for capital yields.

**6** If you exercise the **standard taxation option** for **income from line rights-of-way** from which a withholding tax of 10% has been withheld, this income is taxed according to the general tax rate. If the income is not recognised at 33% of the amount paid out, its amount must be proven by an expert opinion.

The standard taxation option can always be exercised only for all earnings (operating and, if applicable, private). In this case, all such income must be included into the declaration (code **9326** in E1a for operating income or code **547** for income from rentals and leasing, respectively). The withholding tax to be credited in accordance with § 107 must be entered in codes **286/287/288** for operating income; for income from rental and leasing, it is to be entered in code **596**.

**7** Income from **agriculture and forestry** is to be entered here. If you are an **individual entrepreneur** and determine your income from agriculture and forestry by means of a **flat rate**, please enclose Supplement E 1c. Any further supplements (Form Komb 24, Komb 25 or Komb 26) are to be submitted only upon request by the tax office. If you determine the profit by balance sheet accounting or a complete income-expenditure accounting, please enclose Supplement E 1a or E 1a-K. In addition, balance sheet preparers must submit the balance sheet and the profit and loss statement. Please note that the result from the Supplements E 1a, E 1a-K, E 1c or E 11 must be stated in **full** (profit/loss or lump-sum profit plus any gains on disposal and adjusted net gains carried forward, respectively).

In the case of **participations** in a partnership, the result from Supplement E 11 must be recorded in Item 10b. Any income apportionment or the application of the one-half tax rate in respect of participation income must be made in the income tax return.

**8** Here the income of professionals (e.g. doctors, lawyers, artists) and income from other **self-employed work** (e.g. supervisory board remuneration) is to be stated. Furthermore, sickness benefits of a self-employed person from pension institutions must also be mentioned here. If you are an individual entrepreneur, please enclose Supplement E 1a or E 1a-K. In addition, balance sheet preparers must submit the balance sheet and the profit and loss statement.

If the income includes domestic and/or foreign capital gains or capital yields on business premises that are eligible for final taxation and that can be taxed at a special tax rate, please always state the profit/loss (share) **without** such income under 11a) or 11b), respectively. Foreign capital yields that can be taxed at the special tax rate are to be entered either in the code **947** (27.5% taxation) or in the code **783** (25% taxation) or, in case of exercise of the standard taxation option pursuant to Item 8.1, in code **782** together with domestic capital yields and capital gains eligible for final taxation. Capital gains concerning business premises are to be reported in code **962** (30% taxation) or code **552** (25% taxation), respectively, or in code **501** in case of exercise of the standard taxation option pursuant to code 8.2.

In the case of **participations** in a partnership, the result from Supplement E 11 must be recorded in Item 11b. Any income apportionment or the application of the one-half tax rate in respect of participation income must be made in the income tax return.

**9** The income generated from **commercial operation** must be stated here. In addition, sickness benefits of a tradesperson from pension institutions are also to be included here. If you are an individual entrepreneur, please enclose Supplement E 1a or E 1a-K. In addition, balance sheet preparers must submit the balance sheet and the profit and loss statement.

If the income includes domestic and/or foreign capital yields (fructus and capital) or capital gains relating to business premises which are eligible for final taxation and which can be taxed at a special tax rate, please always state the profit/loss (share) under Item 12a) or 12b), respectively, **without** such income. Foreign capital yields that can be taxed at the special tax rate are to be entered either in code **948** (27.5% taxation) or in code **785** (25% taxation) or, in case of exercise of the standard taxation option pursuant to Item 8.1, in code **784** together with domestic capital yields and capital gains eligible for final taxation.

Capital gains concerning business premises are to be reported in code **963** (30% taxation) or code **553** (25% taxation), respectively, or in code **502** if the standard taxation option pursuant to code 8.2 is exercised.

In the case of **participations** in a partnership, the result from Supplement E 11 must be recorded in Item 12b. Any income apportionment or the application of the one-half tax rate in respect of participation income must be made in the income tax return.

**10** A **three-year apportionment** is provided for gains on disposal and certain compensations (§ 37 II 2).

Gains on disposal, i.e. gains from the sale (discontinuation) of the entire business, a part of the business or a co-entrepreneurial share, must be reported without deduction in code **9020** of supplement E 1a. If the entire business is sold or discontinued, a tax allowance of up to € 7,300 (or a prorated tax-free amount in the case of the sale of a part of the business/co-entrepreneur share) can be considered in code **9021** of Supplement E 1a. If this option is not exercised, the gain on disposal can be apportioned over three years if the business has existed for at least seven years and has not been sold for a pension. In this case, please enter  $\frac{2}{3}$  of the gains on disposal in code **311/321/327**. In certain cases (in particular if a taxpayer over 60 years of age ceases the gainful activity in the course of the sale or discontinuation), the one-half tax rate may alternatively be claimed in lieu of the allowance and the three-year apportionment (see also Note 44).

**11** A **five-year apportionment** is provided for profits from "**compensation for expropriation**"; these are profits from the withdrawal of assets by government intervention or to avoid such intervention. If you claim the apportionment, please enter the  $\frac{4}{5}$  respectively to be excluded into code **312/322/328**.

**12** Positive income from **independent artistic and/or literary activity** in 2020 can be apportioned evenly over the years 2020, 2019 and 2018 on the basis of an irrevocable application. In this case, the assessments for the years 2019

and 2018 will be resumed for consideration of the respective thirds. Apportionment is possible only if the balance from all income from artistic and/or literary activity is positive. The income to be apportioned is initially to be recognised without deductions;  $\frac{2}{3}$  of this is to be entered under code **325** and is thus excluded.

The right to opt for a three-year apportionment also applies to foreign income from artistic and/or literary activities. If and insofar as the taxation right rests with another country on the basis of double-taxation agreements, the three-year apportionment is to be considered within the scope of the progression proviso (code **440**). If double-taxation agreements with credit method are applied, the three-year apportionment is also to be applied to the codes **395**, **396**. A simultaneous request for non-fixing of interest (§ 205 VI BAO) ensures that upon (re)fixing of the income tax for previous years, there is no requirement for the payment of income tax on account of the three-year apportionment.

**13** In codes **314/324/326**, in particular the  $\frac{1}{3}$  and  $\frac{1}{5}$  amounts of the profits apportioned over 3 or 5 years in the previous year (in previous years) attributable to the year 2019 (see also Notes 10 and 11) are to be entered. If the distribution privilege for artistic and/or literary income (see Note 12) is used in the following year or the year after that, the  $\frac{1}{3}$  amount attributable to 2020 is to be entered here as well.

**14** Codes **780/782/784** are to be filled in only if you have exercised the standard taxation option for capital yields (Item 8.1). Domestic capital yields eligible for final taxation with the capital gains tax as well as foreign operating capital yields and capital gains (subject to assessment) from operating investments, which would otherwise be subject to taxation at a special tax rate, are thus taxed at the general tax rate. Such income must not be included in the result from Supplement E 1a (exclusion via the codes **9283** or **9289** under Item 4 of Supplement E 1a, respectively). Participation income (Supplement E 11) is to be reported in Items 10b, 11b or 12b without such income. Please note that in case of exercise of the standard taxation option, **all** private domestic and foreign capital income subject to final taxation with the capital gains tax or can be taxed at a special tax rate must also be included in the assessment according to the general tax rate. The capital gains tax to be credited on domestic capital yields is to be entered in code **955/956/957** or **580/581/582**, respectively.

**15** Code **917/918/919** is to be filled in only if you have exercised the standard taxation option for capital yields (Item 8.1). Operating capital yields (fructus and capital) against which a foreign withholding tax is to be credited are thus taxed according to the general tax rate. The foreign withholding tax to be offset is to be entered in code **958/959/960** or **923/924/925**, respectively. Foreign withholding tax that can be refunded abroad must not be entered. Foreign withholding taxes are creditable only if and insofar as the foreign state is entitled to withholding tax on the basis of double-taxation agreements.

**16** Codes **500/501/502** are to be filled in only if you have exercised the **standard taxation option** pursuant to

Item 8.2. In this way, capital gains from business premises that would otherwise be subject to taxation at the special tax rate (see Note 19) are taxed at the general tax rate. Such income must not be included in the result from Supplement E 1a (exclusion via code **9316** of Supplement E 1a). Participation income (Supplement E 11) is to be reported in Items 10b, 11b or 12b without such income. Please note that in case of exercise of the standard taxation option, **all** private income from real estate sales to which the special tax rate is applicable (codes **985/986/987** and **572/573/574**) must be included in the assessment according to the general tax rate as well. A real estate income tax to be credited against operating income from real estate sales is to be entered in codes **964/965/966** and **583/584/585**, respectively, and a special advance payment to be credited in codes **967/968/969** and **589/589/591**, respectively.

**17** Certain income from agriculture and forestry can, upon application, be fiscally considered at **one third each** in the assessment year and the two following years. Excluded from this are, in particular, income determined by full flat-rate taxation, income from hunting, from a sideline or secondary activity, benefited income from special forest uses, income from the sale of real estate, or income from the sale or abandonment of a business. Where not all income is to be apportioned, records must clearly show which income was included in the apportionment and how it was determined.

If you wish to apply for the apportionment, tick the box provided for the application. The application concerns all distributable income and is binding for the subsequent years. The apportionment ends, among other things, if and when the apportionment application is revoked; in this case, a new application can be submitted only after five assessment years.

The positive balance from the income of the holding to be apportioned must be distributed, but at most the total positive income generated by the business. The income to be apportioned is to be entered in code **151**. The income from agriculture and forestry in the assessment year is thus reduced by  $\frac{2}{3}$  of the value from this code. The  $\frac{2}{3}$  excluded are then **automatically included** into the assessments of the subsequent years.

**18** Codes **946/947/948** and **781/783/785**, respectively, are to be filled in if domestic and foreign operating capital yields to which the special tax rate of 27.5% and 25%, respectively, is applicable is to be taxed at the special tax rate (no exercise of the standard taxation option pursuant to Item 8.1). Such income must not be included in the result from Supplement E 1a (exclusion via the codes **9283** or **9289** of Supplement E 1a, respectively). Participation income (Supplement E 11) is to be reported in Items 10b, 11b or 12b without such income.

**19** In code **949/950/951** and **920/921/922**, respectively, operating capital yields against which a foreign withholding tax is to be credited are to be entered if this income is to be taxed at the special tax rate of 27.5% and 25%, respectively. The foreign withholding tax to be offset is to be entered in code **958/959/960** or **923/924/925**, respectively. Foreign

withholding tax that can be refunded abroad must not be entered. Foreign withholding taxes are creditable only if and insofar as the foreign state is entitled to withholding tax on the basis of double-taxation agreements.

**20** Codes **961/962/963** and **551/552/553**, respectively, are to be filled in if capital gains relating to business premises to which the special tax rate is applicable are to be taxed at this rate (no exercise of the standard taxation option pursuant to Item 8.2). Such income must not be included in the result from Supplement E 1a (exclusion via code **9316** of Supplement E 1a). Participation income (Supplement E 11) is to be reported in Items 10b, 11b or 12b without such income.

The special tax rate is 30%; it amounts to 25% if the sale took place before 01-JAN-2016. A real estate income tax to be credited against operating income from real estate sales is to be entered in codes **964/965/966** or **583/584/585**, respectively, and a special advance payment to be credited in codes **967/968/969** and **589/589/591**.

**21 Non-compensable losses** from operations whose main business is the management of intangible assets or the commercial letting of assets are to be entered in code **341**. Losses for the current year must always be recognised without deductions in the corresponding code (**310, 320** or **330**). The non-compensable part attributable to them is to be entered in code **341**.

**22 Non-compensable operating losses from participations** that focus on the attainment of tax advantages or non-compensable losses contained in **operating participation income** from companies whose main business is the management of intangible assets or the commercial letting of assets (§ 2 IIa) are to be reported in code **342**. Participation losses of the current year must always be recognised without deductions. The non-compensable part attributable to them is to be entered in code **342**.

**23 Non-compensable** losses of the same operation from **previous years** (in accordance with Note 20) are to be reported in code **332** if a profit has been made from the same operation in the current year (§ 2 IIb); this profit is to be reported without deductions in the corresponding code (**310, 320, 330**).

**Non-compensable losses** of previous years from **operating participation income** (see Note 21) are to be reported in code **346** if in the current year a profit share has been received from the same participation (§ 2 IIb); this profit share must be reported without deductions in the corresponding code (**310, 320, 330**).

**24** In code **509**, an on-hold loss from a participation in a partnership as a capitalist shareholder (§ 23a) which, as a result of a contribution or liability assumption, can be offset against income other than the respective participation income, is to be entered. The offsetting is made up to the total amount of the income.

**25 Non-compensable losses** from participations that are included into non-operating income and for which the attainment of tax advantages is the primary objective (§ 2 IIa) are to be entered in code **371**. Losses of the current year must always be recognised without deductions within

the framework of the corresponding code and, in addition, in code **371** with the non-compensable portion attributable to them.

**26** Non-compensable losses of **previous years** from participations that are included in non-operating income and for which the attainment of tax advantages is a priority (§ 2 IIa) must be listed in code **372** if a surplus share is received from the same participation in the current year; this surplus share must be stated without deductions in the corresponding code.

**27** Income that is tax-exempt on the basis of **international agreements** is to be entered here. Such income (including income exempt from tax on the basis of intergovernmental agreements to be entered in code **440**) is to be treated as taxable income when determining the extent of an income refund (§ 33 VIII).

**28** In Item 15, **income-related expenses** are to be recorded which your employer has not yet been able to take into account or which could only be considered in the context of a tax office decision on tax allowances. There are special lump sums for income-related expenses for the professional groups listed in Form E 1 in Item 15.13. Further information on income-related expenses can be found in the "Tax Book" (bmf.gv.at – Publications).

**29** In case of exercise of the standard taxation option pursuant to Item 8.3 (see Note 6), in code **547** income received from an infrastructure operator in the fields of electricity, gas, crude oil and district heating for the granting of a **line right-of-way** on a property not belonging to a business asset (§ 107) is to be entered. If the income is not recognised at 33% of the amount paid out, its amount must be proven by an expert opinion.

**30** Income from **private real estate sales** is as a rule subject to taxation at a special rate. If no real estate income tax has been paid on the income, the income to be recorded in the identification numbers **985, 986** or **987** or **572, 573** or **574**, respectively, must at any rate be assessed (obligation to declare).

If real estate income tax has been paid, the income tax for private real estate sales is thereby satisfied, unless the information on which the self-calculation of the real estate income tax by the party representative is based does not correspond to the actual circumstances. If real estate income tax has been paid correctly, such income therefore no longer needs to be reported in the tax return. However, they may be voluntarily included in the assessment on the basis of a **standard taxation option** (see Item 8.2 of the declaration and Note 5 thereto) or an assessment option (§ 30b III).

The **assessment option** is exercised by entering the income for which real estate income tax has already been paid in codes **985, 986** or **987** or **572, 573** or **574**, respectively, without exercising the standard taxation option pursuant to Item 8.2. This is expedient e.g. if a loss from a property sale is to be offset against a surplus from another real estate sale for which real estate income tax has been paid, and taxation at the special tax rate is to be maintained. Excess real estate income tax can thus be refunded (in whole or in part) or offset against income tax on other income, respectively.

Example: Property A was sold for € 20,000 in 2019, and real estate income tax of € 840 (4.2% of the sale proceeds) was paid. A loss of € 1,000 was incurred by the sale of property B; no real estate income tax accrued here. By exercising the assessment option, a compensation of losses can be made:

Income from real estate sales (14% of the sale proceeds) determined at a flat rate	985	2,800
Income from real estate sales not calculated at a flat rate	987	- 1,000
<i>Total</i>		1,800
<i>of which 30% income tax</i>		540
Creditable real estate income tax	988	840
<i>Refund of real estate income tax</i>		300

In contrast to the standard taxation option, the assessment option can remain limited to individual sales transactions, so that not all income from real estate sales to which the special tax rate is applicable needs to be included. In such a case, however, only that real estate income tax may be entered in code **988** or **576**, respectively, that is attributable to actually assessed income. However, compensation of losses can also be performed against real estate income tax within the scope of tariff taxation; in this case, the standard taxation option pursuant to Item 8.2 must be exercised (see Note 5).

**31** The special tax rate for profits from real estate sales is **30%** if the sale took place after 31-DEC-2015.

**32** The special tax rate for gains on real estate sales is **25%** if the sale took place before 01-JAN-2016, but the income is to be recognised in the calendar year 2020 as a result of the inflow.

**33** If the property sold was no longer under fiscal reservation ("steuerverfangen") as of 31-MAR-2012 (acquisition before 31-MAR-2002 on the basis of a ten-year speculation period, so-called "legacy asset"), the income can be determined at a flat rate: As acquisition cost, 86% of the proceeds from the sale is to be recognised. The income therefore amounts to 14% of the sale proceeds; it increases by one-half of the production expenses deducted in partial amounts in accordance with § 28 III, if and insofar as they have been considered for tax purposes within the last 15 years prior to the sale. In this case, the checkbox needs to be filled in. The income is to be entered in code **985** or **572**. Without subsequent recognition of privileged production expenses, it amounts to 14% of the sale proceeds (sale proceeds less acquisition costs at a flat rate to the amount of 86% of the sales proceeds). Income-related expenses may not be considered. The income is subject to the special tax rate, unless the standard taxation option pursuant to Item 8.2 (see Note 5) is exercised.

**34** If the property sold was no longer under fiscal reservation ("steuerverfangen") as of 31-MAR-2012 (acquisition before 31-MAR-2002 on the basis of a ten-year speculation period, so-called "legacy asset"), and the property was (generally) **reclassified** as building land after 31-DEC-1987, the income can be determined at a flat rate: 40% of the sale

proceeds are to be recognised as acquisition costs; they increase by one-half of the production expenses deducted in partial amounts in accordance with § 28 III, if and insofar as they have been considered for tax purposes within the last 15 years prior to the sale. In this case, the checkbox needs to be filled in. The income is to be entered in code **986** or **573**. Without subsequent recognition of privileged production expenses, they amount to 60% of the sale proceeds (sale proceeds less acquisition costs at a flat rate totalling 40% of the sales proceeds). Income-related expenses must not be considered. The income is subject to the special tax rate, unless the standard taxation option pursuant to Item 8.2 (see Note 5) is exercised.

**35** In code **987** and **574**, respectively, income from real estate sales is to be entered that

- must not be determined on a flat-rate basis (see Notes 32 and 33 for calculation at a flat rate, concerns the so-called "new assets", essentially for acquisitions after 31-MAR-2002), or that
- relate to "legacy assets" for which the lump-sum taxation (code **985/572** or **986/573**, respectively) is not applied.

In this case, the income is to be determined in accordance with § 30 III and is subject to the special tax rate, unless the standard taxation option in accordance with Item 8.2 (see Note 5) is exercised.

**36** The balance from codes **985/986/987** and **572/573/574**, respectively, represents income from private real estate sales to which the special tax rate of 30% and 25%, respectively, is applicable. Without exercising the standard taxation option, a positive income balance of 30% (25%) – possibly after compensation of losses with a negative income balance of 30% (25%) – will be taxed at the special tax rate.

If a negative balance remains after any compensation of losses, this must be reduced to 60% (even if the regular taxation option is exercised). This reduced loss is eligible for compensation only with income from rentals and leasing in accordance with Items 17.1, 17.2 and 17.3. Upon application, the total reduced loss can be considered by entry in code **974**. If no such application is made, the reduced loss is to be considered to the extent of one-fifteenth each, starting with the assessment year. In this case, the one-fifteenth amount (4% of the total loss) is to be entered in code **973**. If necessary, one-fifteenth amounts from the real estate sales in the previous year must also be recorded here.

**37** Income from the real estate sales against pension is to be entered here. These are always taxable at the general rate and are not subject to real estate income tax.

**38 Recurring remunerations** (in particular pensions) are regularly recurring payments based on a special obligation (e.g. a contract or other uniform entitlement), where the duration of the obligation and thus (in contrast to instalments) the sum of the payments is uncertain. This item includes inflows from private pensions that do not relate to real estate sales (code **575**). For the tax treatment of pensions see Rz 7001 et seq of the Austrian Income Tax Guidelines 2000. For the calculation of the present value of the pension, see "bmf.gv.at – Calculation programs".

**39** This item includes income generated from the sale of private assets sold within one year of their acquisition (income from **speculative transactions**). Also to be entered here is income from the sale of a participation before 01-APR-2012 within the meaning of § 31 in the version before the 1<sup>st</sup> StabG (Austrian Stability Act) 2012 and which is to be recognised in 2020 as a result of the inflow. This applies to investments into a corporation in which at the time of the sale or within the last five years prior to the sale there was a participation of at least 1%. This income is subject to the one-half tax rate and must also be reported in code **423**.

**40** In code **503**, income from the sale of debt securities and derivatives acquired between 01-OCT-2011 and 31-MAR-2012 is to be entered. They are taxable at the rate of 27.5%, unless the standard taxation option pursuant to Item 8.1 is exercised, in which case taxation is based on the general tax rate.

**41** Income from **services** includes, in particular, income from occasional brokering and from the letting of movable property. For more information, see Rz 6607 et seq of the Austrian Income Tax Guidelines 2000.

**42 Functional fees** are fees paid to officials of public corporations with a certain amount of decision-making power (e.g. compensation paid to chamber officials, remuneration paid to examination commissioners and compensation and remuneration paid to members of various commissions, see Annex II to the Austrian Income Tax Guidelines 2000). Remuneration for secondary employment of civil servants constitutes income from employment.

**43** A **foreign loss** that has been offset against domestic income pursuant to § 2 VIII is to be taxed subsequently if and insofar as the loss was (also) offset or could have been offset abroad (see Rz 187 et seq of the Austrian Income Tax Guidelines 2000). However, recognised losses from countries with which there is no comprehensive administrative assistance shall increase the total amount of income no later than in the third year following their amounts recognised. The subsequent taxation amount is to be reported in code **792**.

**44** Income that is to be taxed at the **one-half tax rate** is to be entered here, e.g. certain gains on disposal and adjusted net gains carried forward, in particular if a taxpayer over 60 years of age ceases the gainful activity (see also Note 10), or in case of income from special forest uses or from the exploitation of patent rights.

**45** In cases of debt relief within the meaning of § 36 (fulfilment of a restructuring plan, fulfilment of a payment plan or granting residual debt discharge after completion of an absorption procedure), the income tax attributable to the debt relief is not to be determined to the amount of the reduced quota (see Rz 7269 et seq of the Austrian Income Tax Guidelines 2000).

**46** Here you can list, for example, income (such as gains on disposal) to which real estate transfer tax is to be credited.

**47** Pursuant to § 6 VI c to d, the tax liability is to be paid in **instalments** on the basis of an application made in the tax return when assets are transferred or operations or

permanent establishments within the meaning of lit. a are relocated, or when Austria's taxation right within the meaning of lit. b is restricted if the transfer/relocation takes place to an EU member state or an EEA state, or if the taxation right is restricted in favour of such a state.

The tax liability attributable to the **fixed assets** is to be paid evenly over a period of **five years**, with the first instalment due at the end of one month after notification of the tax assessment notice and the further instalments each due on 30 June of the following years. Deviating from this, pending instalments are to be declared due if and insofar as

1. Assets, operations or permanent establishments are sold, otherwise withdrawn, or transferred or relocated into a state outside the EU/EEA area,
2. the place of management of a corporate body is transferred to a state outside the EU/EEA area,
3. the taxpayer declares insolvency or is wound down, or
4. the taxpayer fails to fully pay an instalment within twelve months from the due date.

Occurrence of any of these circumstances must be notified to the competent tax authority within three months of their occurrence.

The tax liability attributable to the **current assets** is to be paid evenly over a period of **two years**, with the first instalment due at the end of one month after notification of the tax assessment notice and the second instalment each due on 30 June of the following year. As this is apportionment at a flat rate, premature retirement is not to be reported and does not lead to outstanding instalments becoming prematurely due either.

In code **978**, please enter the total amount for which the tax is to be paid in instalments. With regard to this amount, the tax liability attributable to this amount is apportioned over five (seven) years or two years, respectively, and the first instalment is prescribed in the notice of assessment issued by the tax authority by means of a corresponding entry in code **235 (990)** and/or in code **991**.

If any of the circumstances mentioned under Items 1 to 3 above has occurred already in the current assessment year, no entry in code **978** is to be made in this respect.

**48** If Austria's taxation right is restricted as a result of reorganisations within the meaning of the Austrian Reorganisation Tax Act (*UmgrStG*) in favour of an EU/EEA state, the assessed tax liability can be paid in instalments upon application. The instalment payment concept in § 6 VI c to d EStG is to be applied mutatis mutandis (payment in 5 or 2 annual instalments, respectively, and circumstances leading to the amount becoming prematurely due); see Note 47 for details. In the case of contributions, the instalments will be declared due prematurely in accordance with § 16 I 3 of the Austrian Reorganisation Tax Act even if the taxable consideration is subsequently sold by the contributor. Due to analogous application of § 6 VI EStG, this must be reported to the tax authority within 3 months.

In the case of a partial restriction of the taxation right due to contributions as defined by Art. III of the Austrian Reorganisation Tax Act, the special tax rate pursuant to § 27a I 2 EStG (27.5%) is to be applied to the calculated profit pursuant to § 16 I 4. Any outstanding instalments will be declared prematurely due only if the taxable consideration is sold; due to analogous application of § 6 VI EStG, this must be reported to the tax authority within 3 months.

**49** Pursuant to § 27 VI 1 EStG, circumstances that lead to a restriction of Austria's right to tax assets as defined by § 27 III and IV EStG are deemed a sale.

Pursuant to § 27 VI 1 a, the tax liability is not determined on the basis of an application made in the tax return in the case of the actual **relocation** of a natural person or in the case of the **unpaid transfer** (donation) of capital shares to natural persons in the EU/EEA countries until the actual sale, until the relocation or until a transfer to a third country. If such an application is made (by ticking the appropriate box), the amount subject to the non-imposition, which must not have reduced the income, is to be entered in code **806**. The official tax liability is thus reduced by the tax attributable to this amount.

**50** Pursuant to § 27 VI 1 EStG, circumstances that lead to restriction of Austria's right to tax assets as defined by § 27 III and IV EStG are deemed a sale.

Pursuant to § 27 VI 1 d in conjunction with § 6 VI c and d EStG, in all cases not covered by lit. a (no relocation and no gratuitous transfer), the tax liability is to be paid in instalments on the basis of an application made in the tax return if the restriction of the taxation right takes place in favour of an EU/EEA state. If such an application is made (by ticking), the **instalments** are payable over a period of **five years**, with the first instalment due at the end of one month after notification of the tax assessment notice and the further instalments each due on 30 June of the following years. Deviating from this, pending instalments are to be declared due if and insofar as capital shares

1. are sold,
2. are transferred to a state not covered by the scheme, or
3. an instalment is not fully paid within twelve months from the due date.

Occurrence of any of these circumstances must be notified to the competent tax authority within three months of their occurrence.

In code **980**, please enter the total amount for which the tax is to be paid in instalments. With regard to this amount, the tax attributable to it is apportioned over five years, and the first instalment is prescribed in the notice of assessment issued.

If any of the circumstances mentioned under Items 1 or 2 has occurred already in the current assessment year, no entry in code **980** is required in this respect.

**51** In accordance with § 103 and the Austrian Settlement Facilitation Ordinance (*Zuzugsbegünstigungsverordnung*) 2016, BGBl. II № 261/2016, passed under the same, a settlement facilitation can be granted by applying an exemption amount (§ 103 Ia). If you are making use of the settlement allowance, please enter it in code **983**. Please note that this entry is also required if the employer has already considered the tax allowance for payroll accounting. In the context of the income tax assessment, it is examined whether the conditions for the preferential treatment are met in the relevant year. To this end, you must submit a list (§ 7 II of the Ordinance named).

**52** In accordance with § 103 and the Austrian Settlement Facilitation Ordinance (*Zuzugsbegünstigungsverordnung*) 2016, BGBl. II № 261/2016, passed under the same, an settlement facilitation can be granted by application of a preferential tax rate (§ 5 of the Ordinance). In the context of the income tax assessment, it is to be examined whether the conditions for the preferential treatment are met in the relevant year. To this end, you must submit a list (§ 7 II of the Ordinance named). If you want to take advantage of the tax rate reduction, tick the box; in code **375**, the amount is

to be entered by which the tax according to tariff is reduced due to application of the privileged tax rate based on a settlement facilitation.

**53** In code **375**, a creditable real estate transfer tax, a creditable capital gains tax on distributions from shares and profit participation rights of privileged SME financing companies or the amount by which the tax according to tariff is reduced in application of the privileged tax rate as a result of a settlement facilitation (see Note 52) can be entered.

**54 Foreign income subject to tax in Austria** is to be entered in code **395** using the crediting method for tax relief, unless the income is entered into other codes (codes **917/918/919** or **949/950/951** or **920/921/922**, respectively, Form E 1kv or code **359** in Supplement L 1i). The creditable foreign tax that is attributable to such income in order to avoid double taxation must be indicated in code **396**.

**55 Positive foreign income tax-exempt** in Austria (DTA exemption method) are to be entered here, which must be considered when determining the tax rate in the context of the application of the progression proviso. Foreign losses may not be entered here, but are to be reported in code **746** and **944**, respectively.

**56** Foreign losses are to be entered here that, pursuant to § 2 VIII, have been offset with domestic income only to the extent of the loss determined in accordance with Austrian tax law.

In code **746**, considered foreign losses from countries with which comprehensive administrative assistance exists are to be entered.

In code **944**, considered foreign losses from countries with which no comprehensive administrative assistance exists are to be entered. Such losses must be taxed at the latest in the third year after their recognition in code **792**. An exhaustive list of states with which comprehensive administrative assistance exists (as of 01-JAN-2020) can be found in Information BMF-010221/0282-IV/8/2019 of 20-DEC-2019 at [bmf.gv.at/Steuern/Findok](http://bmf.gv.at/Steuern/Findok).

**57** Further information on the **special expenses** can be found in the "Tax Book" ([bmf.gv.at – Publikationen](http://bmf.gv.at/Publikationen)).

**58** Please always enter the **full amount** of operating losses that can be carried forward in code **462**.

Losses that have not been determined by proper balance sheet accounting or by proper income-expenditure accounting **cannot** be carried forward.

**59** If there is non-independent income and no advance payments have to be determined, a tax office decision on tax allowances and a notification for the employer are generally issued for certain increased income-related expenses, tax-effective special expenses and certain extraordinary burdens. By presentation of this notification to the employer, it is considered in the wage tax deduction. The tax office decision on tax allowances based on the assessment 2020 is valid for the year 2022. You can waive this tax office decision on tax allowances or have the tax exempt amount set lower. A lower tax allowance can be considered also if you announce this on the "Notice for submission to the employer(s)".

## B) Explanations to Supplement E 1a for 2020

The greyed-out passages concern **only balance sheet preparers** and are therefore irrelevant for income-expenditure calculators. If reference is made to statutory provisions without further specification, this is to be understood as meaning the Austrian Income Tax Act 1988 (EStG 1988) in the version applicable for 2020.

### 1 General

**1.1** Supplement **E 1a** to the income tax return (Form E 1) is to be used by individual entrepreneurs for profit determination within the framework of income from agriculture and forestry (§ 21), self-employment (§ 22) or commercial operation (§ 23) if the profit (loss) is determined by:

- **Balance sheet accounting**
- **Full income-expenditure accounting**
- **Non-agricultural partial flat-rate taxation** according to § 17 (statutory basic flat rate), according to the flat rate for the hotel and restaurant industry (Ordinance BGBl. II № 2012/488), the flat rate for commercial agents (Ordinance BGBl. II № 2000/95), the flat rate for artists/authors (Ordinance BGBl. II № 2000/417), the flat rate for chemists (Ordinance BGBl. II № 1999/229), the flat rate for athletes (Ordinance BGBl. II № 2000/418) or the Ordinance concerning Non-Accounting Tradespersons (Ordinance BGBl. II № 1990/55).
- **Commercial full flat-rate taxation for food retailers and general merchandise dealers** (Ordinance BGBl. II № 1999/228). In this case, only the information specified in Item 6 of Supplement E 1a is to be provided for the purposes of determining the revenue.

**1.2** Supplement E 1a is **not** to be used:

- When using an **agricultural and forestry flat rate as an individual entrepreneur**. In such cases, Supplement **E 1c** is to be used.
- When using the **flat-rate taxation for small entrepreneurs**. In such cases, Supplement **E1a-K** is to be used.

**1.3 Per domestic operation** (source of income) for which a separate profit determination is to be made, a separate Supplement E 1a is to be submitted.

For small businesses, in lieu of supplement E 1a supplement E 1a-K can be completed if the conditions specified therein are met.

**1.4 For foreign operations** likewise a fully completed Supplement E 1a must be submitted.

- In cases in which a profit (determined in accordance with the regulations of Austrian taxation law) is made from the foreign operation and Austria is **not** entitled to tax this profit (e.g. in the case of a double-taxation agreements with exemption method), the tax-exempt profit is also to be entered in code **9030** and is thus excluded. In such cases, the foreign profit is to be entered in the income tax return (Form E 1) in code **440** in order to assert the progression proviso.
- In cases in which a **loss** (determined in accordance with the regulations of Austrian taxation law) is incurred from the foreign operation and this loss is offset with domestic income (cf. Rz 187 et seq of the Austrian Income Tax Guidelines 2000), code **9030** does not have to be filled in. In such cases, the foreign loss is also to be entered in the income tax return (Form E 1) in code **746** or **944**, respectively. An entry of the loss in code **9030** is necessary only if the foreign loss is not to be compensated with domestic income (cf. Rz 210 of the Austrian Income Tax Guidelines 2000).

- In cases in which the income (determined in accordance with the regulations of Austrian taxation law) from the foreign operation is **taxable** in Austria (e.g. in the case of a double-taxation agreement with crediting method), code **9030** does not have to be filled in. The foreign income and a foreign tax to be credited are to be entered in the income tax return (Form E 1) in codes **395, 396**.

**1.5 For foreign permanent establishments**, no separate Supplement E 1a needs to be filled in. If and insofar as foreign permanent establishment results of a domestic operation are to be excluded from the assessment base on the basis of double-taxation agreements, this must be indicated by entering the result of the permanent establishment in code **9030**.

**1.6** A separate Supplement E 1a is to be submitted for **each business year**. If several business years are reported in one assessment (e.g. when the balance sheet date is changed), several Supplements E 1a must be submitted in accordance with the number of business years reported.

**2** In the case of profit determination by **balance sheet accounting** (comparison of operating assets and liabilities), a copy of the balance sheet (annual financial statements, balance sheet) and the profit and loss statement must be submitted to the tax office. This can also be done electronically ("E-Bilanz").

The profit is to be determined in accordance with **§ 5** if according to § 189 of the Austrian Commercial Code (*Unternehmensgesetzbuch*, UGB) or other federal regulations there is an accounting obligation, and income is generated from commercial operation (§ 23). If the prerequisites for balance sheet accounting in accordance with § 5 of the Austrian Income Tax Act 1988 are not met, accounting is carried out in accordance with **§ 4 I**.

**3** Profit determination by means of **full income-expenditure accounting** means that no flat-rate taxation is claimed, and the operating expenses are reported in full. Operating revenue is to be reported according to codes **9040** to **9093**, and operating expenses according to codes **9100** to **9233**. Code **9259** (lump-sum operating expenses) must not be filled in.

**4** The selection "VAT gross system" or "VAT net system" must always be indicated in case of income-expenditure accounting or flat-rate taxation systematically corresponding to income-expenditure accounting (see Notes 18.3 and 18.4). If all turnovers are VAT-exempt without input tax relief (e.g. **small entrepreneurs**), "gross system" must be ticked.

**5** If the **basic flat rate** is applied, the operating revenue is reported in full, but the operating expenses are deducted at a flat rate of **12%** or **6%** of the sales.

Apart from the lump sum, only the following deductions may be made:

- Expenditure on goods, raw materials and semi-finished products, auxiliary materials and ingredients;
- expenditure for wages (including non-wage labour costs);

- expenditure for third-party wages, if and insofar as these are directly included in services that form the business object of the company (e.g. contract manufacturing of goods),
- social-insurance contributions and contributions to self-employment provision schemes
- travel expenses, if and insofar as they are offset by reimbursement of costs in the same amount; these travel expenses reduce the turnover relevant for the assessment of the lump sum.

All other operating expenses are covered by the operating expense flat rate, which is to be entered in code **9259** (see Note 46).

**6** Licensed hotels and restaurants may make use of the **flat rate for the hotel and restaurant industry**. The **basic lump sum** (15% of the turnover, at least € 6,000) covers all operating expenses with the exception of

- those covered by the other two lump sums and
- those that must be considered separately at any rate, even in the case of flat-rate taxation.

The **mobility lump sum** (2% to 6% of the turnover) includes

- all vehicle costs and operating costs for the use of other means of transport and
- travel costs.

The **lump sum for energy and premises** (8% of the turnover) includes all costs incurred in connection with the use of premises. The (total) lump-sum amount is to be reported in code **9259**.

In addition, the basic tax allowance and certain operating expenses remain fully deductible: Use of goods, wages and non-wage labour costs, social security contributions, training of employees, depreciation for wear, maintenance and repair, rentals and leaseholds of real estate, borrowing costs. Further information can be found in the Austrian Income Tax Guidelines 2000, Rz 4287 et seq).

**7** The **flat rate for chemists** substantially corresponds to the basic flat rate, see Note 5.

**8** According to the **Ordinance for Flat-Rate Taxation of Artists/Writers**, certain operating expenses can be considered with 12% of the turnover, up to a maximum of € 8,725 at a flat rate in code **9259**.

The lump sum covers: Expenditure for usual technical aids (in particular computers, sound carriers including recording and playback equipment); expenditure for telephone and office material; expenditure for specialist literature and entrance fees; operational expenditure for clothing, cosmetics and other expenses for the external appearance; daily allowances; expenditure for rooms located within the same structure (in particular study, studio, sound studio, rehearsal rooms); expenditure for the catering of business partners; usually undocumented operating expenses. Expenditure not covered by the lump sum are to be entered in the relevant codes.

**9** According to the **flat rate for commercial agents**, certain operating expenses can be considered with 12% of the turnover, at the most at a flat rate of € 5,825 in code **9259**. The lump sum covers: Per-diem allowances; expenses for rooms located in the same structure (in particular warehouse and office premises); expenditure on the occasion of catering for business partners; usually undocumented operating expenses such as gratuities. Expenditure not covered by the lump sum are to be entered in the relevant codes.

**10** Under the **Ordinance for Flat-Rate Taxation of Athletes**, for internationally active athletes who are subject to unlimited tax liability in Austria (due to their place of residence or habitual residence) and who predominantly perform abroad in the course of sporting events (competitions, tournaments) in the calendar year, the income from sporting activities, including advertising activities, subject to tax in Austria is to be recognised upon application at 33% of all such income (domestic and foreign). However, the income revenue excluded from the tax assessment base (67%) must be considered when determining the tax for the rest of the income revenue (entry in code **440** in Form E 1). Crediting of foreign taxes from the determined income at a flat rate is excluded.

If the flat-rate taxation is used, only 33% of the operating revenue and operating expenses are to be entered in the respective codes; the 67% to be excluded may not be entered in code 9259.

**11** The **Ordinance for Flat-Rate Taxation of Non-Accounting Tradespersons** BGBl. № 55/1990, provides for a sector-specific lump-sum operating expenditure rate for a total of 54 trades. The following operating expenses may also be considered:

Purchasing of goods, raw materials and auxiliary materials, semi-finished products and ingredients (according to purchase journal); wage expenditure (according to wage account), employer's contribution to statutory social insurance, housing subsidy contribution, employer's contribution to the family burden equalisation fund; depreciation; expenses for rent or lease, energy, heating, post and telephone; VAT paid (with the exception of VAT from internal consumption) and VAT (input tax) for expenses requiring capitalisation; contributions to compulsory insurance in statutory health, accident and pension insurance as well as the basic tax allowance.

**12** Please enter the type of your activity here in the form of a three-digit **industry code** (Branchenkennzahl, BKZ; ÖNACE 2008). For further explanations see Note 86. With regard to **mixed operations**, the following applies: A mixed operation is present if at least 20% of the operating sales are not attributable to the industry code stated. In this case, the industry code of the predominant turnover and the existence of a mixed operation must be stated.

**13** Taxpayers who are no longer under accounting obligation due to falling below the turnover limits of § 189 of the Austrian Commercial Code and receive income from trade or business (§ 23) can apply to **continue** the profit determination in accordance with § 5 I of the Austrian Income Tax Act 1988. The application is to be made for the year in which the business year ends for which for the first time there is no accounting obligation. The application shall be binding on the taxable person until revoked, in which case the appropriate box must be ticked. The application expires automatically upon re-entry into the accounting obligation pursuant to § 189 of the Austrian Commercial Code.

**14** Please indicate the beginning or the end of the business year to the day even if it begins or ends during a month.

**15** If the operation is **discontinued** because the holder has died, become incapacitated or completed his/her 60th year of life and ceases his/her gainful employment, upon application operating hidden reserves of a building which has also served as the principal residence of the taxpayer may be left untaxed (cf. Rz 5698 et seq of the Austrian Income Tax Guidelines 2000). The amount of hidden reserves left untaxed does not need to be disclosed.

**16** **Ordinance BGBI. II № 2002/474** provides for **relief from double taxation** in the absence of a double-taxation agreement under the specified conditions by means of tax exemption or crediting of foreign taxes. If such relief has been claimed, please indicate this by ticking the appropriate box.

## 17 Ad "3. Profit determination"

**17.1** In the case of **balance sheet preparers** with profit determination in accordance with **§ 5**, the income and expenses to be recognised under "3. Profit determination" must correspond to the amounts recognised in the profit and loss statement in the company balance sheet. Any corrections are to be made under "4. Corrections and additions to the profit determination in accordance with Item 3 (fiscal increase/decrease calculation)"

**17.2** In the case of **balance sheet preparers** with profit determination in accordance with **§ 4 I**, the income and expenses to be recognised under "3. Profit determination" may correspond to the amounts shown in the profit and loss statement of a company balance sheet. Any corrections to this are to be made under "4. Corrections and additions to the profit determination in accordance with Item 3 (fiscal increase/decrease calculation)". However, all income and expenses can also be recognised under "3. Profit determination" at the tax-relevant amounts. In this case, no corrections need to be made under Item 4 in this regard.

**17.3** For **income-expenditure calculators** there are the following two possibilities of entry under "3. Profit determination":

As a rule, the operating revenue and operating expenses to be entered under "3. Profit determination" are to be entered at the **tax-relevant** amounts.

No corrections under "4. Corrections and additions to the profit determination in accordance with Item 3 (fiscal increase/decrease calculation)" are then to be made in this respect.

If the operating revenue and operating expenses to be entered under "3. Profit determination" are not entered at the tax-relevant amounts in the case of income-expenditure calculators, the necessary corrections must then be made in Item 4.

**17.4** If and insofar as the accounts of the **Austrian Standardised Accounts Framework (Österreichischer Einheitskontenrahmen, EKR)** are concerned, balance sheet preparers have to take into account only the expenses/income or balance sheet items to be reported on the explicitly designated accounts under the corresponding codes. If and insofar as the content of a code does not fully match expenses/income according to the EKR, this is expressly pointed out. Income that is not to be reported in codes **9040** to **9080** is to be entered in code **9090**. Expenses that are not to be recorded in the respective expense codes are to be entered in code **9230**.

**17.5** **Income-expenditure calculators** have to enter operating revenues that are not to be entered in codes **9040** to **9080** in code **9090**. Operating expenses that are not to be included in the respective operating expenses codes or code **9259**, are to be entered in code **9230**.

**17.6** Income/operating revenue and expenses/operating expenses are to be entered as a rule **without leading signs**. Thus, income/operating revenue is reported as positive values, and expenses/operating expenses are as negative values. If a negative value results for a code among income/operating revenue or expenses/operating expenses (e.g. for expenses/revenue adjustments), a negative leading sign ("–") is to be entered for the corresponding code.

## Ad "Income/Operating revenue"

### 18 Code 9040: Proceeds (revenues from goods and services) excluding § 109a of the Austrian Income Tax Act 1988, EKR 40 – 44

**18.1** In code **9040**, sales revenues generated by **balance sheet preparers** (excluding VAT, EKR 400 – 439, see Note 18.5) after deduction of sales reductions (EKR 440 – 449, see Note 18.6) are to be entered. Domestic revenues recorded in a notification pursuant to § 109a are to be entered only in code **9050**.

**18.2** In the case of **income-expenditure accounting**, domestic (accrued) sales revenues (see Note 18.5) after deduction of sales reductions (see Note 18.6) are to be entered here. Domestic revenues recorded in a notification pursuant to § 109a are to be entered only in code **9050**. Income-expenditure calculators can choose the gross or net method for VAT (cf. in particular Rz 744 to 762 of the Austrian Income Tax Guidelines 2000).

**18.3** In the **VAT gross system**, the VAT invoiced by an income-expenditure calculator is to be treated as business income at the time it is collected and as operating expense at the time it is remitted to the tax office. The input tax amounts invoiced to the income-expenditure calculator are operating expenses at the time of payment and operating revenue at the time of offsetting with the tax office. Operating revenue and operating expenses are therefore to be recognised including turnover tax (**gross VAT reporting**, see below). In the case of acquisition (production) of assets requiring capitalisation, the deductible input tax is to be separated from the acquisition (production) costs, which are to be deducted by way of depreciation for wear.

The sum of the VAT payment charges paid in the assessment year is an operating expense (to be entered in code **9230**), the sum of any VAT credits constitutes operating revenue to be entered in code **9090**. If both VAT payment charges and VAT credits result, a balancing must be carried out; if there is a credit excess, this is to be entered in code **9090**; if there is a payment charge excess, this is to be entered in code **9230**.

In the case of the VAT gross system, there are **two** reporting options, namely the

- **gross reporting** (see above) and the
- **net reporting** of the operating revenue/expenditure with separate VAT statement (see Note 24).

**18.4** In the **VAT net system**, VAT, which is treated as a transit item (§ 4 III 3), is recognised neither on the revenue nor on the expenditure side. All revenue and expenditure eligible for input tax deduction are therefore recognised net only. The net system is permitted only for those taxpayers for whom the VAT can as a rule be of a transitory nature.

Net settlement is therefore not possible:

- In cases in which an entrepreneur makes sales that are VAT-exempt without input tax relief (e.g. small entrepreneurs with annual sales of less than € 30,000, unless tax liability has been opted for).
- In cases where a flat-rate input tax rate is claimed, except if the flat-rate input tax rate is claimed in accordance with § 14 I 1 of the Austrian Value Added Tax Act 1994 and the basic flat rate in accordance with § 17 I to III (code **9259**) is applied at the same time.

Ancillary fees of the VAT, such as late-payment surcharges and deferral interest, remain deductible as operating expenses even under the net method.

If the input tax is deductible, fixed assets are to be included in the list of fixed assets (§ 7 III) at their net values. If input tax is not deductible, it must be treated as part of the acquisition (production) costs. Operating expenses represent only the net amounts spent; VAT on goods in circulation is not to be recognised. If the VAT has no transitory character (e.g. expenses in the context of the operation of passenger cars), it is to be deducted from the expenditure as operating expense.

All revenue and expense items resulting from the VAT settlement with the tax office are not considered: Sales tax credits are not operating revenue, and the payments made to the tax office are not operating expenses. As in the case of the gross system, withdrawals are to be recognised net. It is not necessary to adjust the payment charge for the internal consumption VAT contained therein.

**18.5 Sales revenues** are the proceeds typical of the entrepreneur's ordinary business activities from the sale and surrender of use of products and goods as well as from services. In addition, this item in particular also includes proceeds from the operations-typical sale of scrap, waste products, raw materials, auxiliary materials and consumables no longer required and income from participations in consortia (e.g. construction industry). Rental and leasing income, licenses and commissions are to be recorded here only if they are typical for the operation.

If the proceeds are occasional and small, they are to be entered in code **9090**.

**18.6 Sales reductions** are in particular customer discounts, sales remunerations, volume discounts, bonuses, loyalty bonuses, refunds for returned goods and defects.

## **19 Code 9050: Income/operating revenue for which a notification in accordance with § 109a of the Austrian Income Tax Act 1988 was issued, EKR 40 – 44**

In this item, income/operating revenue to be reported in the respective assessment, for which a notification according to § 109a was issued, is to be entered. The separate statement results from § 4 of the Ordinance BGBl II N° 417/2001 issued under § 109a and is necessary only if the taxpayer affected by the notification has been made aware of the content of the notification. With regard to the duty of disclosure pursuant to § 109a, see Rz 8300 et seq of the Austrian Income Tax Guidelines 2000. Please refer to the "Tax Book" (to be found at [bmf.gv.at](http://bmf.gv.at) – Publications) for information on the disclosure obligation pursuant to § 109a. To income stated in a notification on the basis of a **freelance contract of employment** pursuant to § 4 IV of the Austrian General Social Security Act, the following

applies: In code **9050**, the amount reported in the notification is to be entered without deduction of retained employee shares for social insurance and without deduction of contributions to pension funds; these deduction items are to be entered as operating expenses in code **9225**; this also applies if the basic flat rate pursuant to § 17 I is used.

## **20 Code 9060: Investment income/withdrawal values of fixed assets, EKR 460 – 462 before any divestiture to 463 – 465 or 783, respectively**

**20.1** In this case, **balance sheet preparers** must enter proceeds from the disposal of fixed assets (EKR 460 – 462), with the exception of financial assets, entered on EKR 463 – 465 or EKR 783, respectively, before any divestiture. This also includes capital gains relating to business premises, to which the special tax rate of 25% is applicable. Any necessary corrections must be made in the fiscal increase/decrease calculation (Item 4).

**20.2 Income-expenditure calculators** must enter only operating revenues (proceeds) from the disposal (sale, withdrawal) of fixed assets. Insurance compensations are to be entered in code **9090**. This also includes capital gains relating to business premises to which the special tax rate is applicable. Any necessary adjustments must be made in the fiscal increase/decrease calculation (Item 4).

**20.3 Withdrawals** of fixed assets are to be recognised at the tax-relevant withdrawal value in accordance with § 6 IV, which is as a rule the going-concern value at the time of withdrawal. The going-concern value is the value which an asset has for its operation (interdependency value, § 6 I). Real estate is to be fiscally withdrawn at book value, unless there is an exception to the special tax rate.

## **21 Code 9070: Internally produced and capitalised assets, EKR 458 – 459**

**21.1** This code is to be filled in only by **balance sheet preparers**. Here internally produced and capitalised assets for self-produced tangible assets and for starting up and expanding a business are to be entered.

**21.2 Income-expenditure calculators** must include self-produced tangible fixed assets in the list of fixed assets at production cost (§ 7 III), unless – in the case of low-value assets (§ 13, see code **9130** and Rz 3893 of the Austrian Income Tax Guidelines 2000) – immediate deduction is opted for. The operating expenses for codes **9100** to **9230** are to be corrected according to the production costs. In the case of depreciable fixed assets, the production costs are to be deducted by way of depreciation for wear and tear (depreciation for wear, § 7). The depreciation for wear is to be reported in code **9130**.

## **22 Code 9080: Inventory Changes, EKR 450 - 457**

**22.1** This code is to be filled in **only** by **balance sheet preparers**. These must cover here changes in the inventory of finished goods and work in progress as well as of services not yet billable. Inventory increases must be indicated without a sign, inventory decreases with a negative leading sign.

**22.2 Not** to be reported here are value changes due to unusual depreciation (cf. § 231 II 7 b of the Austrian Commercial Code, to be reported in code **9140**) and inventory changes with extraordinary character (cf. § 233 of the Austrian Commercial Code, to be reported in code **9090** as "extraordinary income" or code **9230** as "extraordinary expenses", respectively).

## **23 Code 9090: Other income/operating revenue (including financial yields)**

**23.1 Balance sheet preparers** must enter here the sum of all income accrued during the business year with the exception of the income to be reported in codes **9040** to **9080**. This includes in particular income from the write-up of fixed assets (EKR 466 – 467), income from the reversal of provisions (EKR 470 – 479), other operating income (EKR 480 – 499) and all financial yields (EKR 8). Other operating income (EKR 480 – 499) includes all income not booked in account groups 40 – 47, in particular proceeds from transactions that may not be stated as sales revenue, payments received on receivables previously booked out, debt relief, income from the reversal of bad debt allowances, exchange gains on foreign currency transactions, income from social security funds, income from non-operating income and income from atypical transactions and services (e.g. income from apartment rentals and from non-typical leasehold and license agreements), expense and compensation rates, booking out of unpaid and time-barred liabilities, grants from public funds, if and insofar as they cannot be deducted from acquisition or production costs in the case of investments.

**23.2 Foreign capital yields and realised value increases of operating capital assets** that can be taxed at a special tax rate must always be reported here; **domestic capital yields eligible for final taxation** must be reported here only in case of exercise of the standard taxation option (Item 8.1 in Form E 1). Any necessary adjustments must be made in the fiscal increase/decrease calculation (Item 4).

**23.3 Income-expenditure calculators** here need to enter the total of all operating revenues (accrued in the calendar year) with the exception of the operating revenues to be entered in codes **9040**, **9050** and **9060**. For the treatment of the VAT, see Notes 18.3 and 18.4.

Foreign capital yields and realised value increases of operating capital assets that can be taxed at a special tax rate must always be recorded here; domestic capital yields eligible for final taxation must only be recorded here if the standard taxation option (Item 8.1 in Form E 1) is exercised. Any necessary adjustments must be made in the fiscal increase/decrease calculation (Item 4).

## **24 Code 9093: VAT collected in the VAT gross system**

This code may be filled in only by income-expenditure calculators applying the VAT gross system if the **net reporting** of operating revenue/expenditure with a separate VAT statement is opted for (see Note 18.3). In this case, the operating revenue and operating expenses are recognised net (excluding VAT) in the relevant codes. The collected VAT is entered in code **9093**, the spent

(deductible or non-deductible) VAT in code **9233**. The VAT payment charge is entered in code **9230**, and any VAT credit is entered in code **9090**.

## **Ad "Expenses/Operating expenses"**

### **25 Code 9100: Goods, raw materials, auxiliary materials EKR 500 – 539, 580**

**25.1 Balance sheet preparers** must report here:

- Goods used (EKR 500 – 509),
- consumption of raw materials (EKR 510 – 519),
- consumption of purchased finished and individual parts (EKR 520 – 529),
- consumption of auxiliary materials (EKR 530 – 539), after deduction of cash discount income on cost of materials (EKR 580).

**25.2 income-expenditure calculators** have to record here:

- Expenditure for the purchase of goods,
- expenditure for raw materials,
- expenditure for finished and individual parts,
- expenditure for auxiliary materials,

after deduction of cash discount income on the purchase of material. These expenditures are separately deductible within the framework of the statutory basic flat rate (§ 17) as well.

If and insofar as the prohibition to deduct current assets pursuant to § 4 III applies, no entry may be made.

**25.3** Consumption (purchasing) of consumables (EKR 540-549), consumption (purchasing) of tools and other production aids (EKR 550-559) and consumption (purchasing) of fuels, energy and water (EKR 560-569) is to be reported in code **9230**.

### **26 Code 9110: Personnel provided (external personnel), EKR 570 – 579, 581, 750 – 753**

**26.1 Balance sheet preparers** need to enter expenses here that are reported on the accounts „Other purchased production services“ (EKR 570 – 579, see Note 25.3) after deduction of cash discounts on other received production services (EKR 581) and „Expenses for the provision of personnel“ (EKR 750 – 753, see Note 26.4).

**26.2 Income-expenditure calculators** must enter expenses for external personnel here. Notes 26.3 and 26.4 apply mutatis mutandis. Not to be entered are those expenditures for external personnel that are to be "capitalised" as production costs of fixed assets (to be included in the list of fixed assets pursuant to § 7 III).

**26.3 „Other purchased production services“** (for balance sheet preparers: EKR 570 – 579) are all other purchased manufacturing services, in particular expenses/expenditure for material processing, material refinement, other services and provision of personnel in the manufacturing area.

**26.4 „Expenses for the provision of personnel“** (for balance sheet preparers: EKR 750 – 753) includes expenses of account 750 EKR. Commissions to third parties (for balance sheet preparers: EKR 754 – 757) must be reported in code **9190**.

## **27 Code 9120: Personnel expenses ("own personnel"), EKR 60 – 68**

**27.1 Balance sheet preparers and income-expenditure calculators** shall record here expenditure/expenses on wages and salaries as well as non-wage labour costs, namely:

- Wages (for balance sheet preparers: EKR 600 – 619, see Note 27.2),
- Salaries (for balance sheet preparers: EKR 620 – 639, see Note 27.3),
- Expenses for severance payments (for balance sheet preparers: EKR 640 – 644, see Note 27.4),
- Expenses for old-age pensions (for balance sheet preparers: EKR 645 – 649, see Note 27.4),
- Statutory social expenditure for workers (for balance sheet preparers: EKR 650 – 655, see Note 27.5),
- Statutory social expenditure for salaried employees (for balance sheet preparers: EKR 656 – 659, see Note 27.5),
- Wage-related taxes and compulsory contributions (for balance sheet preparers: EKR 660 – 665, see Note 27.6),
- Salary-related taxes and compulsory contributions (for balance sheet preparers: EKR 666 – 669, see Note 27.6), and
- other social-security expenses (for balance sheet preparers: EKR 670 – 689, see Note 27.7).

27.2 As „**Wages**“ (for balance sheet preparers: EKR 600 – 619), the following items are reported: basic wages (production wages, auxiliary wages, remuneration of temporary workers), bonuses to wage earners (overtime bonuses, holiday pay, shift bonuses, hardship allowances, bonuses and commissions) and non-performance wages (holiday wages, holiday pay, sick pay, other absence wages, holiday and Christmas bonuses and other special payments). Wage tax and social-insurance contributions attributable to wages that are exceptionally not withheld from the employees' wage/salary (e.g. additional claims in connection with wage tax audits that cannot be passed on to the employee) are also to be recorded here. Contributions to a pension fund must also be included here.

27.3 As „**Salaries**“ (for balance sheet preparers: EKR 620 – 639), basic salaries, overtime bonuses, holiday replacements, bonuses and commissions, 13<sup>th</sup> and 14<sup>th</sup> monthly salary and other special payments are reported. The same applies to anniversary bonuses, voluntary travel cost and accommodation allowances and benefits in kind. Wage tax and social security contributions attributable to salaries that are exceptionally not withheld from the employees' wage/salary (e.g. additional claims in connection with wage tax audits that cannot be passed on to the employee) are also to be recorded here. Contributions to a pension fund are also be listed here. Wages and salaries do not include travel allowances and daily and accommodation allowances paid to compensate the employee for expenses incurred on business trips. These are to be reported in code **9160**.

27.4 As „**expenses for severance payments**“ (for balance sheet preparers: EKR 640 – 644) and „**expenses for old-age pensions**“ (for balance sheet preparers: EKR 645 – 649), respectively, both severance and pension payments as well as changes in severance payment provisions and – only for balance sheet preparers – changes in pension provisions are to be reported; and so are contributions to pension funds and other contributions to old-age pensions for employees.

27.5 As „**statutory social expenditure for workers**“ (for balance sheet preparers: EKR 650 – 655) and „**statutory social expenditure for salaried employees**“ (for balance sheet preparers: EKR 656 – 659), all social-security expenses

payable to the social insurance providers (employer contributions) including the contribution according to the Continued Remuneration Act and the housing subsidy contribution are to be reported.

**27.6 As “wage-related taxes and compulsory contributions”** (for balance sheet preparers: EKR 660 – 665) and **“salary-related taxes and compulsory contributions”** (for balance sheet preparers: EKR 666 – 669), all other remuneration-related taxes and compulsory contributions are to be reported. These include in particular the employer's contribution to the compensation fund for family allowances, the supplement to the employer's contribution, the municipal tax and the Vienna employer's levy (subway levy).

If the municipal tax and Vienna employer's contribution (subway levy) are reported by balance sheet preparers as “other taxes” (EKR 710 – 719), they are to be entered in code **9230**.

**27.7 As “other social-security expenses”** (for balance sheet preparers: EKR 670 – 689), voluntary social-security expenses that are not attributable to the individual employee as part of the remuneration, such as contributions to the works council fund and support funds (excluding pension funds), expenses for company outings, for Christmas gifts to employees and for various company events for the benefit of the workforce, are to be reported. Expenses caused by social facilities are to be recorded under the codes to be assigned to the corresponding expense types (e.g. the material consumption of the plant kitchen in code **9100**, the maintenance of the kitchen rooms in code **9150**).

## **28 Code 9130: Depreciation on fixed assets (e.g. depreciation for wear, low-value assets), EKR 700 – 708, unless they are to be reported in code 9134 and/or 9135**

**28.1 Balance sheet preparers** must enter (scheduled and non-scheduled) depreciation of fixed assets, with the exception of financial assets (EKR 701 – 708) that are not to be entered in code **9134** and/or **9135**. In addition, depreciation on capitalised expenses for the starting and expansion of a business (EKR 700) are also to be entered here. Code **9130** shows both the allocation and the reversal of a valuation reserve (e.g. low-value assets, investment grants, transfers of § 12 reserves to the valuation reserve, etc.).

**28.2 Income-expenditure calculators** must enter depreciation on fixed assets not to be entered in code **9134** or **9135** (§§ 7, 8) including premature and accelerated depreciation as well as immediately deducted low-value fixed assets (§ 13) here. Low-value assets are those whose acquisition or production costs do not exceed € 800 per individual case. They can either be deducted by depreciation for wear or written off immediately (option).

## **29 Declining depreciation for wear (§ 7 Ia) for assets acquired or manufactured after 30-JUN-2020**

For assets acquired or manufactured after 30-JUN-2020, the depreciation for wear can be made in decreasing annual amounts according to an immutable percentage of no more than 30% (**declining depreciation for wear**). This percentage rate is to be applied to the respective book value (net book value) and results in the respective annual depreciation for wear. Certain assets (e.g. buildings, motor

vehicles that are not emission-free, used assets, facilities that serve to extract, transport or store fossil fuels and facilities that directly use fossil fuels, see § 7 Ia 1) are excluded from declining depreciation for wear. Any corrections are to be made in code **9268**.

### **30 Depreciation for wear for buildings that were acquired or manufactured after 30-JUN-2020 (§ 8 Ia, accelerated depreciation of buildings, maximally three times the rate of depreciation for wear)**

Without evidence of the useful life, the depreciation for wear for **buildings** acquired or manufactured after 30-JUN-2020 is a maximum of **7.5%** in the year of initial consideration – this is three times the statutory depreciation rate of 2.5%. Deviating from this, the depreciation for wear for buildings used for residential purposes is maximally **4.5%** – three times the statutory depreciation rate of 1.5%. The rule on semi-annual depreciation for wear is not applicable. Any corrections are to be made in code **9269**.

### **31 Code 9140: Depreciation of current assets if and insofar as these exceed the usual depreciation in the company – EKR 709 – and value adjustments for receivables**

This code is to be filled in **only** by **balance sheet preparers**. These must enter here – both in the case of balance sheet accounting in accordance with § 5 and in the case of balance sheet accounting in accordance with § 4 I – depreciation of current assets if and insofar as this exceeds the depreciation customary in the company (EKR 709, § 231 II 7 UGB). Allocations of value adjustments to receivables (EKR 208, 209, 213, 214, 218, 219, 223, 224, 228, 229, 248, 249) are also to be entered here. Divestitures are to be entered in code **9090**. For correction of the entry, see code **9250**.

### **32 Code 9150: Repair and maintenance costs (maintenance expenditure) for buildings, EKR 72**

**32.1 Balance sheet preparers** and **Einnahmen-Ausgaben-Rechner** haben hier Aufwendungen/Ausgaben für Instandhaltung (siehe Anm. 30.2), soweit diese **Gebäude** betreffen, einzutragen. Maintenance of other assets as well as expenses for cleaning by third parties, disposal and lighting are not to be entered here.

**32.2 "Repair and maintenance"** comprises all expenses (expenditure) that serve to maintain the usability of a building (maintenance expense) and that do not lead to a change in the nature of the building (in this case, there would be production expense requiring capitalisation). Preservation expenses are to be entered here without differentiation between "Maintenance expenses sensu stricto" and "Repair expenses" (cf. § 4 VII for the term). Repair expenses pursuant to § 4 VII are to be reported with the one-fifteenth amount attributable to the business year. (see Rz 1398 and Rz 6460 et seq of the Austrian Income Tax Guidelines 2000).

### **33 Code 9160: Trip costs and travel expenses incl. mileage allowance and per-diems (excluding actual vehicle costs), EKR 734 – 737**

**33.1 Balance sheet preparers** and **Einnahmen-Ausgaben-Rechner** haben hier Reise- und Fahrtaufwendungen/-ausgaben (für Bilanzierer: EKR 734 – 735), daily allowances and accommodation allowances (for balance

sheet preparers: EKR 736 – 737) and mileage allowances (for passenger cars: € 0.42 per kilometre) here. Both the own expenses and the expenses borne for employees are to be entered. Actual vehicle costs are to be entered in code **9170**.

**33.2** In addition to expenses paid directly to tour operators, trip costs and travel expenses (for balance sheet preparers: EKR 734 – 735) also include travel costs (per-diem allowances and accommodation allowances, see Note 31.3) and reimbursements for travel expenses, if and insofar as they constitute reimbursements for actual expenses (e.g. mileage allowances).

**33.3** Travel expenses include the flat-rate additional cost of meals (per-diem allowance: € 26.40 per day, less than 12 hours € 2.20 per hour or part thereof, if the journey lasts more than 3 hours) as well as the costs of overnight accommodation, which can be asserted either at a flat rate (€ 15 per overnight stay including the cost of breakfast) or in the amount to be substantiated (§ 4 V in conjunction with § 26 IV). See also Rz 1378 of the Austrian Income Tax Guidelines 2000 in conjunction with Rz 278 et seq of the wage tax guidelines 2002.

**33.4** If the basic flat rate is used, travel expenses are deductible separately, if and insofar as they are offset by reimbursement of costs to the same amount.

### **34 Code 9170: Vehicle costs (excluding depreciation for wear, leasing and mileage allowance), EKR 732 – 733**

**Balance sheet preparers** and **income-expenditure calculators** must enter the **actual** vehicle costs (for balance sheet preparers: EKR 732 – 733) are to be entered here. If the vehicle costs are asserted via the mileage allowance (see Rz 1612 et seq of the Austrian Income Tax Guidelines 2000), this is to be entered in code **9160**. Actual motor vehicle costs include maintenance expenses for motor vehicles, operating consumables, repair and service costs, insurance premiums and taxes. This does not include depreciation for wear (to be entered in code **9130**) and leasing expenses/expenditure (to be entered in code **9180**).

### **35 Code 9180: Rental and lease expenses, leasing, EKR 740 – 743, 744 – 747**

**Balance sheet preparers** and **income-expenditure calculators** must enter the costs or expenditure for rentals and leaseholds (for balance sheet preparers: EKR 740 – 743) or leasing (for balance sheet preparers: EKR 744 – 747), respectively, here. Expenses/expenditure for heating, lighting, cleaning of rented rooms and operating costs are not to be entered here. It should be noted that, pursuant to § 4 VI, advance payments of rental costs from income-expenditure calculators are to be apportioned evenly over the period of the advance payment if they do not concern only the current and the following calendar year (cf. Rz 1381 et seq Austrian Income Tax Guidelines 2000). In such cases, the annual amount attributable to the business year is to be reported here.

### **36 Code 9190: Commissions to third parties, license fees, EKR 754 – 757, 748 – 749**

In case of **balance sheet accounting** and **income-expenditure accounting**, in this expenses/costs for commissions to third parties (for balance sheet preparers: EKR 754 – 757) as well as license fees (EKR 748 – 749) are to be reported.

### **37 Code 9200: Advertising and representation expenses, donations, gratuities, EKR 765 – 769**

In case of **balance sheet accounting** and **income-expenditure accounting**, expenses/expenditure for advertising and representation (for balance sheet preparers: EKR 765 – 768) as well as donations and gratuities (for balance sheet preparers: EKR 769) are to be entered here. If and insofar as the recognition under corporate law or the entry in this code, respectively, does not correspond to the value permissible for tax purposes (e.g. § 20 I 3, see Rz 4808 of the Austrian Income Tax Guidelines 2000), the corrections must be made in code **9280**.

### **38 Code 9210: Book value of disposed assets, EKR 782**

**Balance sheet preparers** and **income-expenditure calculators** must enter the total book values of assets disposed of during the business year, with the exception of financial assets (for balance sheet preparers EKR 782), here. Unscheduled or extraordinary depreciation (e.g. as a result of the destruction of a fixed asset, cf. § 8 IV) is to be entered in code **9130**.

### **39 Code 9220: Interest and similar expenses, EKR 828 – 834**

**39.1 Balance sheet preparers** must report here: Interest on operating loans, bank loans, mortgage loans, disbursement and commitment commissions for a loan or credit line, overdraft commissions, freight deferral fees, depreciation on the capitalised disagio, costs of the raising of funds, discounts on bills of exchange where these are not offset by discountable income, and separately invoiced interest on supplier credits. If a disagio (damnum) was not capitalised (§ 198 VII UGB), or if borrowing costs were immediately deducted under corporate law, the procedure (correction) in accordance with § 6 III must be applied to code **9290**.

**39.2 Income-expenditure calculators** must enter expenses for the expenditure referred to in Item 38.1 here. It should be noted that pursuant to § 4 VI, advance payments of borrowing costs are to be apportioned uniformly over the period of the advance payment if they do not relate only to the current and the following calendar year (see Rz 1381 et seq of the Austrian Income Tax Guidelines 2000). In such cases, the annual amount attributable to the business year is to be reported here. A disagio (damnum) is subject to § 4 VI in case of income-expenditure calculators. Borrowing costs that exceed the tax-exempt amount of € 900 (Rz 2464 of the Austrian Income Tax Guidelines 2000) are to be apportioned over the term of the loan (Rz 2463 of Austrian Income Tax Guidelines 2000). In such cases, the annual amount attributable to the business year is also to be reported here.

**40** The profit shares of typical silent partners to be considered as operating expenses are to be entered here, which are to be reported in the income tax return of the recipient as income from capital assets (code **856** of the supplement E 1kv) or – in the case of an operating participation – in code **9090**.

### **41 Code 9225: Own compulsory insurance contributions, contributions to pension and support institutions, and contributions to self-employment provision schemes**

The expenses paid by the entrepreneur for himself/herself as contributions to compulsory insurance or to a pension and support institution pursuant to § 4 IV 1 a and b are to

be entered here. Contributions to self-employment provision schemes are also to be entered here. These expenses may be recorded in addition to the lump sum in accordance with § 17 I.

### **42 Code 9243, 9244, 9245, 9246 (corporate donations)**

In codes **9243** to **9246**, donations are to be entered that have been made from the business assets to the recipients named in the respective codes.

**43** In code **9261**, contributions to the assets of a non-profit foundation are to be entered (§ 4b).

**44** In code **9262**, contributions to the Innovation Foundation for Education and its sub-foundations are to be entered (§ 4 c).

### **45 Code 9230: Other operating expenses – balance**

The total of all operating expenses in the calendar year, with the exception of the operating expenses to be entered in the previous codes, is to be entered here. An operating expense flat rate is not to be entered here, but in code **9259**.

### **46 Code 9259: Flat-rate operating expenses**

If flat-rate taxation is claimed, the lump sum for operating expenses is to be entered here. **No** entry is to be made here in case of assertion of an **agricultural and forestry flat rate**. In such cases, Supplement E 1c (individual entrepreneur) must be used. **No** entry is to be made here either in cases where the **commercial full flat-rate taxation** for food and general merchandise retail is used; in this case, only Item 6 of the declaration is to be filled in.

Income-expenditure calculators that make use of the possibility of the **basic flat rate** in accordance with § 17 I must enter here the operating expense flat rate of 6% or 12%, respectively. If you use the basic flat rate, you can only enter codes **9100, 9110, 9120, 9160** and **9225** in addition to code **9230**.

The basic flat rate is applicable if the turnover in the previous year did not exceed € 220,000. In case of flat-rate taxation, the operating revenue is reported in full, but the operating expenses are deducted at a flat rate of 12% of the turnover. For the following income, the flat rate amounts to only 6% of the turnover: Professional or commercial income from a commercial or technical consultation, an activity within the meaning of § 22 II (e.g. managing directors of a limited company under Austrian law who participate substantially, supervisory board members) and income from writing, lecturing, scientific, teaching or educational activities.

Apart from the lump sum, only the following deductions may be made:

- Expenditures for the receipt of goods, raw materials, semi-finished products, auxiliary materials and ingredients (to be entered in code **9100**),
- expenditure for wages (including non-wage labour costs, to be entered in code **9120**),
- expenditure for third-party wages, if and insofar as these are directly included in services that form the business object of the company (e.g. contract manufacturing of goods, to be entered in code **9110**),
- social-insurance contributions (to be reported in code **9225**) and
- contributions to self-employment provision schemes (to be reported in code **9225**)

- travel expenses, if and insofar as they are offset by reimbursement of costs in the same amount; these travel expenses reduce the turnover relevant for the assessment of the lump sum.

All other operating expenses are covered by the lump-sum operating expense allowance. This applies, for example, to depreciation (§§ 7, 8 and 13), net book values of outgoing assets, borrowing costs, rentals and leaseholds, post and telephone, consumables (fuels), energy and water, advertising, legal and consultancy costs, commissions (except for quantity-dependent purchase commissions – see Rz 4117 Austrian Income Tax Guidelines 2000), office expenses, premiums for business insurance, operating taxes, maintenance, cleaning by third parties, motor vehicle costs, travel expenses (including daily and accommodation allowances) or gratuities.

If the **VAT net system** is opted for (see Note 18.4 above), neither the VAT owed on deliveries or other services nor the VAT paid to other entrepreneurs (input tax) nor a VAT payment charge is to be recognised. The operating expense flat rate is to be considered as a net figure. Irrespective of whether an input tax flat rate under § 14 I 1 Austrian Value Added Tax Act 1994 has been selected for the VAT or whether the actual input taxes have been recognised, no VAT may therefore be deducted from the operating expense flat rate. For the **VAT gross system** (see Note 18.3), both the VAT owed for deliveries or other services (in code **9040** or **9050** or – in the case of VAT net reporting – in code **9093**) and the input tax paid to other entrepreneurs (in codes **9100** and, in the case of external services, possibly in code **9110** or – in the case of VAT net reporting – in code **9233**) must be considered. A VAT payment charge is to be entered in code **9230**, a VAT credit in code **9090**. Since the flat rate for operating expenses is to be regarded as a net amount,

- the input tax attributable to operating expenses “lump-summed” for income tax purposes,
- in the case of claiming the input tax flat rate pursuant to § 14 I 1 of the Austrian Value Added Tax Act 1994, the input tax flat rate, and
- input tax attributable to asset acquisitions.

are to be recognised separately as operating expense in code **9230**.

When the flat rate for athletes is claimed, the income not to be reported (67%) may not be excluded via code 9259. See Note 10.

**47** Unless corrections or additions are made in accordance with Item 4, the profit/loss determined is to be transferred to Form E 1 (Items 10a, 11a or 12a).

## **48 Ad “4. Corrections and additions to the profit determination in accordance with Item 3 (Fiscal increase/decrease calculation)”**

**48.1 Balance sheet preparers** with profit determination according to **§ 5** must make the corrections to the amounts recognised under corporate law required to determine the correct fiscal profit here. Unless special codes are provided for the corrections, they must be reported in code **9290**.

**48.2 Balance sheet preparers** with profit determination in accordance with **§ 4 I** and **income-expenditure calculators** must make the necessary corrections here to

determine the correct fiscal profit if the entries made in “3. Profit determination” do not correspond to the tax-relevant values. Unless special codes are defined for the corrections, they must be reported in code **9290**.

**48.3** Here, those adaptations must also be made that result from the possibility of taxing operating capital yields (fructus and capital gains) or capital gains relating to business premises to be taxed at a special tax rate, or that are not included in the assessment.

### **49 Code 9240 Corrections to depreciation of fixed assets (e.g. depreciation for wear, low-value assets, EKR 700 – 708) – code 9130**

Here, in particular corrections resulting from § 8 are to be entered (e.g. mandatory minimum useful life under fiscal law for buildings). Adjustments of the depreciation for wear relating to motor vehicles are to be made under code **9260**.

### **50 Code 9250: Corrections to depreciation of current assets if and insofar as these exceed the usual depreciation in the company and value adjustments on receivables – code 9140**

In particular, those corrections that result from § 6 II a (prohibition of lump-sum value adjustments) are to be entered here.

### **51 Code 9260: Corrections to motor vehicle costs**

All corrections made with regard to motor vehicles are to be entered here, in particular corrections of the depreciation for wear from the amounts recognised of the useful life of eight years under fiscal law, corrections resulting from the application of the so-called “luxury tax threshold” for motor vehicles, and corrections resulting from the consideration of a leasing asset.

### **52 Code 9270: Corrections to rental and lease expenses, leasing (EKR 740–743, 744–747)–code 9180**

Any corrections from the private use of rented, hired or leased assets are to be entered here. Corrections relating to motor vehicles (allocations to a leasing asset item in accordance with § 8 VI 2) are to be entered in code **9260**.

### **53 Code 9280: Corrections to advertising and representation expenses, donations, gratuities (EKR 765 – 769) – code 9200**

In particular, the corrections resulting from § 20 I 3 (cf. Rz 4808 et seq of the Austrian Income Tax Guidelines 2000) are to be entered here.

### **54 Code 9257: Corrections relating to remuneration for work and services**

§ 20 I 7 and 8 states that salaries, certain remuneration for the provision of personnel, pensions and pension settlements and voluntary severance payments are no longer deductible without restrictions. If and insofar as the deduction restriction applies, please enter the non-deductible amount for correction of the value in code **9120** or **9110**, respectively, in code **9257**.

**55** All income from a business **capital transfer** (fructus, not capital gains) that can be taxed at a special tax rate must be excluded from the tax result in Supplement E 1a in

code **9283**. This applies both to domestic capital eligible for final taxation with capital gains tax, insofar as included in the result of the profit determination in accordance with Item 3, and to foreign capital yields. The amount of this income must be transferred to codes **780/782/784** or **917/918/919**, respectively, in case of exercise of the standard taxation option pursuant to Item 8.1 of Form E 1. Otherwise, domestic income subject to final taxation with capital gains tax in E 1 is not to be included at all, and foreign income that is to be taxed at a special tax rate is to be transferred into the codes provided for this purpose in Form E 1.

**56** Income from value increases of capital assets and derivatives realised in the course of business is as a rule to be taxed at the special tax rate, unless the standard taxation option pursuant to Item 8.1 of Form E 1 is exercised. § 6 II c provides for offsetting in the event of a coincidence of capital gains and losses. Codes **9305** (see Note 55) and **9289** (see Note 56) are used to implement these fiscal consequences.

**57** In code **9305**, any corrections resulting from the correct determination of capital gains/losses relating to operating capital assets to which the special tax rate is applicable must be made. This may be necessary, for example, if the capital gain under corporate law recorded in Item 3 differs from the fiscal one due to differences in the valuation of the contribution (fair value on the one hand or limitation at acquisition cost in accordance with § 6 V on the other). The result concerning capital gains/losses to be possibly adapted here if necessary is subsequently authoritative.

**58** Code **9289** has a dual function:

On the one hand, it serves to implement the settlement provision of **§ 6 II c**. Accordingly, losses from the sale, redemption and other pay-off of assets and derivatives to whose yields the special tax rate is applicable are to be offset primarily against positive income from realised value increases of such assets and derivatives and against write-ups of such assets. Only 55% of any remaining negative excess may be compensated.

The capital gains and capital losses are to be reported in the preliminary columns, and the balance is to be formed from them. If this is **negative**, only 55% of it may be offset against the other income of the operation. In this case, 45% of the negative balance are to be entered with a **positive** leading sign in code **9289**. Thus, the addition of 45% of the loss and the correction of the result from Item 3 (corrected, if necessary, via code **9305**) is performed in accordance with § 6 II c.

If the balance from capital gains and capital losses is **positive**, these capital gains are excluded via code **9289** because they can be taxed at the special tax rate and are therefore to be excluded from the result of Supplement E 1a (see code **9283** with regard to the privileged income from an operating capital transfer, see Note 53). This income must be transferred to codes **780/782/784** or **917/918/919**, respectively, in Form E 1 when exercising the standard taxation option, otherwise to the codes intended for taxation at the special tax rate.

**59** Realised capital gains/losses in relation to **business premises** are to be taxed at the special tax rate if there is no exception from the special tax rate pursuant to § 30a III and IV, unless the standard taxation option pursuant to Item 8.2 of Form E 1 is exercised. § 6 II d provides for offsetting in the event of a coincidence of capital gains and losses. Codes **9285** (see Note 60) and **9316** (see Note 61) are used to implement these fiscal consequences.

**60** In code **9285**, any corrections that may be necessary to ensure correct netting in accordance with § 6 II d or correct fiscal reporting of a capital gain must be made. This may be necessary, for example, because operating real estate is to be taxed at a flat rate in application of § 30 IV, there are differences between the valuation of contributions under corporate law and that under tax law, and these circumstances have not been reflected in the profit determinations in accordance with Item 3 because the results under company law has been recorded there. If the real estate income tax is been considered in a profit-reducing manner, this must also be corrected here. The result concerning capital gains/losses to be possibly adapted here is subsequently authoritative.

**61** Code **9316** has a dual function:

On the one hand, it serves to implement the settlement provision of **§ 6 II d**. Under this provision, write-downs to the going-concern value and losses from the sale of business premises to whose value increases the special tax rate is applicable are to be offset primarily against positive income from the sale or write-up of such properties of the same business. Only one-half of any remaining negative excess may be compensated.

The capital gains and capital losses are to be reported in the preliminary columns, and the balance is to be formed from them. If this is **negative**, only 60% of it may be offset against the other income of the operation. In this case, 40% of the negative balance are to be entered with a **positive** leading sign in code **9316**. Thus the addition of 40% of the loss and the correction of the result from point 3 (corrected, if necessary, via code **9285**) is done in accordance with § 6 II d.

If the balance from capital gains and capital losses is **positive**, these capital gains are excluded via code **9316** because they can be taxed at the special tax rate and are therefore to be excluded from the result of Supplement E 1a (see code **9289** with regard to privileged income from realised value increases and derivatives in case of operating capital assets). This income must be transferred to codes **500/501/502** in Form E 1 when the standard taxation option is exercised, otherwise to the codes intended for taxation at the special tax rate.

**62** If the **standard taxation option** for **income from line rights-of-way** from which a withholding tax of 10% has been withheld is exercised (Item 8.3 in Form E 1), this income is taxed according to the general tax rate. The earnings are to be entered in code **9326**; if the income is not recognised at 33% of the amount paid out, its amount must be proven by an expert opinion.

## **63 Code 9010: The type of profit determination (§ 4 X) was changed:**

In code **9010**, an **adjusted net gain carried forward** is to be entered – always in full – to be considered in the respective assessment. An adjusted net loss carried forward is to be entered here to the full amount only if it is not to be considered apportioned over seven years (e.g. discontinuation of a business). Adjusted net losses carried forward to be taken into account apportioned over seven years are to be entered with the one-seventh amount in code **9242**.

## **64 Code 9242: One-seventh amounts from an adjusted net loss carried forward of the current year and/or a previous year:**

The one-seventh amounts attributable to the respective business year for a transitional loss relating to the operation in the current year or in the previous year are to be entered here.

## **65 Code 9247: Surcharge/reduction pursuant to § 4 II:**

Pursuant to § 4 II 2 of the Austrian Income Tax Act 1988, inter-period errors whose origin was in the year 2003 or a later year may be corrected ex officio or upon application by a surcharge or deduction in the first year not time-barred if and insofar as they relate to time-barred periods and the error may have an effect on a period not time-barred. For more information, see Rz 650 et seq of the Austrian Income Tax Guidelines 2000.

## **66 Code 9290: Other changes – Balance**

Changes that are not assigned to other codes are to be reported in code **9290**.

## **67 Tax-free profit allowance**

Please note in the event of **capital gains** from business premises and capital assets: If such capital gains are taxed at the special tax rate (non-exercise of the standard taxation option pursuant to Items 8.1 or 8.2, respectively, of Form E 1 and entry in the codes provided for the application of the special tax rates), the tax-free profit allowance attributable to these gains must be deducted from this income and must not reduce the income subject to tariff tax. In this case, only the tax-free profit allowance to be apportioned to income subject to tariff tax may be considered in the codes **9221**, **9227** and **9229**. In this case, the amount reduced by the tax-free profit allowance attributable to it is to be entered in Form E 1 in the relevant codes.

## **68 Code 9221: Basic tax allowance**

A basic tax allowance to the amount of 13% of the profit (without gain on disposal), but totalling no more than € 3,900 per person and assessment year, can be claimed.

## **69 Waiver of basic tax allowance**

Since as a rule the basic tax allowance in the income tax proceedings is granted even without application filed, you have the option of waiving it.

## **70 Code 9227: Investment-related tax-free profit allowance for tangible assets**

If the profit (without gain on disposal) exceeds the tax assessment base of the basic tax allowance, an investment-related tax-free profit allowance can be asserted if and insofar as this is covered by the acquisition or manufacture

of certain tangible assets (see Rz 3828 of the Austrian Income Tax Guidelines 2000).

The assessment base for the tax-free profit allowance must always include capital gains relating to operational capital assets and business premises, and capital yields eligible for final taxation (fructus, not capital gains) only if and insofar as they are taxed at the rate at the tariff rate on the basis of an application for standard taxation (Item 8.1 of Form E 1) and recorded in Form E 1 in codes **780/782/784** or **917/918/919**, respectively. The tax-free profit allowance for the first € 175,000 of the profit amounts to 13%, while for further profit shares exceeding this, the profit allowance is up to € 580,000 to a lesser extent (cf. Rz 3845 et seq of the Austrian Income Tax Guidelines 2000). In code **9227**, enter the amount that is to be taken into account as a tax allowance in accordance with § 10.

## **71 Code 9229: Investment-related tax-free profit allowance for securities**

If and insofar as the profit (without gain on disposal) exceeds the assessment base of the basic tax allowance, an investment-related tax-free profit allowance can be asserted if and insofar as it is covered by acquisition of securities (§ 14 VII 4).

The assessment base for the tax-free profit allowance must always include capital gains relating to operational capital assets and business premises, and capital yields (§ 27 II 1 and 2) only if they are taxed at the tariff rate on the basis of a standard tax application (Item 8.1 of Form E 1) and reported in Form E 1 in codes **780/782/784** or **917/918/919**, respectively. The tax-free profit allowance for the first € 175,000 of the profit amounts to 13%, while for further profit shares exceeding this, the profit allowance is up to € 580,000 to a lesser extent (cf. Rz 3845 et seq of the Austrian Income Tax Guidelines 2000). In code **9229**, enter the amount that is to be taken into account as a tax allowance in accordance with § 10.

## **72 Code 9234: Tax-free profit allowance to be taxed subsequently (§ 10)**

Enter a tax-free profit allowance to be taxed subsequently here. For subsequent taxation see in particular Rz 3860j of the Austrian Income Tax Guidelines 2000.

## **73 Code 9020: Sale / discontinuation of business**

In code **9020**, a gain on disposal or loss on disposal is to be entered to the full amount, irrespective of tax benefits.

## **74 Code 9021: Tax allowance for gain on disposal**

If the entire business is sold or discontinued, a tax-free amount of up to € 7,300 (or a proportionate tax allowance in the case of the sale of a part of the business/co-entrepreneur share) can be considered in code **9021**. The tax allowance may not be higher than the gain on disposal pursuant to code **9020**. If this option is exercised, the gains on disposal may not be apportioned over three years. If the conditions for the application of the one-half tax rate are met, or if the business is sold for a pension, no tax allowance may be considered.

## **75 Code 9030: Amount of profit or loss to be excluded**

See also Note 1.4. In particular, **foreign profits** (foreign profits related to permanent establishments) that are tax-exempt in Austria and are therefore not included into

the income tax assessment base are to be entered in code **9030** without a leading sign. **Foreign losses** (foreign losses related to permanent establishments) are also to be entered here – with a negative leading sign – if they are not to be included in the income tax assessment base (cf. Rz 210 of the Austrian Income Tax Guidelines 2000). Entries without a sign (profits or parts of profits) reduce the fiscal profit (but must be considered for the progression proviso by entry into code **440** of the income tax return), while entries with a negative leading sign (losses or parts of losses) reduce the tax loss (and must not be included in code **746** or **944** of the income tax return).

An entry is therefore to be made here for:

- Foreign profits that are tax-exempt in Austria on the basis of a double-taxation agreement, and
- foreign losses that are not to be included in the income tax base (cf. Rz 210 of the Austrian Income Tax Guidelines 2000).

If the entire profit is tax-exempt, the amount to be entered in code **9030** corresponds to the determined fiscal profit. If the total loss is not to be offset, the loss to be entered in code **9030** corresponds to the determined fiscal loss.

If only a part of the operating profit is tax-exempt (e.g. the profit of the foreign permanent establishment), the profit from the permanent establishment to be excluded is excluded by entry in code **9030**. If a loss attributable to a foreign permanent establishment is not to be compensated in accordance with Rz 210 of the Austrian Income Tax Guidelines 2000, this permanent establishment loss is excluded (included) by entry in code **9030**.

In particular, those gain/loss shares are to be entered in this code that, in cases of a **gratuitous transfer of the business**, are attributable to the legal successor or legal predecessor, respectively, on the basis of an aliquot delimitation of income (see Rz 109 of the Austrian Income Tax Guidelines 2000). In such cases, both the legal predecessor and the legal successor must fill in a complete supplement E 1a; in the case of the legal predecessor, the proportion attributable to the legal successor must be excluded in code **9030**, and the legal successor must exclude the proportion attributable to the legal predecessor in code **9030**.

**76** The determined **fiscal profit/loss** excluding fiscally privileged capital yields (fructus and capital) and realised capital value increases regarding business premises must be transferred to Items 10a, 11a or 12a of Form E 1.

## Ad "5. Balance sheet items (ONLY for balance sheet preparers pursuant to § 4 I or V)"

In codes **9300** to **9370**, only balance sheet preparers must enter according to the balance sheet:

### **77 Code 9300: Private withdrawals (less private contributions), EKR 96**

Here the total of accounts EKR 960 – 969 ("Private and clearing accounts of individual entrepreneurs and partnerships") after deduction of private contributions is to be entered. If the private contributions exceed the private withdrawals, the excess is to be entered with a negative leading sign.

### **78 Code 9310: Real estate (EKR 020 – 022)**

Here the total of the amounts in the accounts EKR 020 ("Undeveloped real estate"), 021 ("Developed real estate") and 022 ("Agriculturally used land") is to be entered. Accounts EKR 031 – 039 are not to be reported.

### **79 Code 9320: Buildings on own land (EKR 030, 031)**

Here the value is to be reported on the account EKR 030 ("Business and office buildings on own land") and EKR 031 ("Residential and social buildings on own land"). Accounts EKR 032 – 039 are not to be reported. If indirect depreciation is selected, the acquisition or production costs or the going-concern value is to be stated in this code; if direct depreciation is selected, the respective net book value must be reported. The selected depreciation method must be maintained.

### **80 Code 9330: Financial assets (EKR 08 – 09)**

Here the total of the amounts in the accounts EKR 08 – 09 is to be entered. In detail, this relates to the following accounts: 080 ("Shares in affiliated companies"), 081 ("Investments into joint ventures"), 082 ("Investments into affiliated [associated] companies"), 083 ("Other participations"), 084 ("Loans to affiliated companies"), 085 ("Loans to companies in which an interest is held"), 086 ("Other loans"), 087 ("Shares in corporations without participatory character"), 088 ("Shares in partnerships without shareholding"), 090 ("Cooperative shares without participatory character"), 091 ("Shares in investment funds"), 092 – 093 ("Fixed-interest securities of fixed assets"), 094 – 097 ("Other financial assets, debt register claims"), 098 ("Prepayments made") and 099 ("Cumulated depreciation").

### **81 Code 9340: Inventories (EKR 100 – 199)**

Here the total of the amounts in the accounts EKR 100 – 199 is to be entered. In detail, this relates to the following accounts: 100 – 109 ("Billing of purchases"), 110 – 119 ("Raw materials"), 120 – 129 ("Purchased parts"), 130 – 134 ("Auxiliary materials"), 135 – 139 ("Consumables"), 140 – 149 ("Work in progress"), 150 – 159 ("Finished goods"), 160 – 169 ("Goods"), 170 – 179 ("Services not yet billable"), 180 ("Prepayments made") and 190 – 199 ("Value adjustments").

### **82 Code 9350: Receivables from goods and services (EKR 20 – 21)**

Here the total of the amounts in the accounts EKR 20 – 21 is to be entered. In detail, this relates to the following accounts: 200 – 207 ("Domestic accounts receivable"), 208 ("Value adjustments for domestic accounts receivable"), 209 ("General value adjustments for domestic accounts receivable"), 210 – 212 ("Accounts receivable, monetary union"), 213 ("Value adjustments for accounts receivable, monetary union"), 214 ("General value adjustments for accounts receivables, monetary union"), 215 – 217 ("Accounts receivables abroad, excluding the monetary union"), 218 ("Value adjustments for accounts receivable abroad, excluding the monetary union") and 219 ("General value adjustments for accounts receivable abroad, excluding the monetary union").

### **83 Code 9360: Other provisions (excluding provisions for severance payments, pensions and taxes) EKR 304 – 309**

Here the total of the amounts in the accounts EKR 304 – 309 ("Other provisions") is to be entered.

### **84 Code 9370: Liabilities to credit institutions and financial institutions EKR 311 – 319**

Here the total of the amounts in the accounts EKR 311 – 319

is to be entered. Specifically, this concerns accounts 311 – 317 ("Liabilities to credit institutions") and 318 – 319 ("Liabilities to financial institutions").

**85** In the case of the use of the commercial full flat-rate taxation for **food retailers**, (only) Item 6 of Supplement E 1a is to be filled in. The information from Item 6 (codes **9006, 9010, 9242, 9020** and **9021**) must be transferred to Item 12a of Form E 1 netted.

## **86 Industry codes**

The industry codes (BKZ) were derived from ÖNACE 2008 (Austrian version of NACE = European Economic Activity Classification). Please enter the three-digit number (BKZ) into the appropriate field on Forms E 1a, E 1a-K, K1 or K 2a, respectively.

The three-digit industry code corresponds to the first three digits (with leading zero) of ÖNACE. This can generally be seen from the notification of the Austrian Federal Statistical Office, so that an allocation can be made easily.

In the 2<sup>nd</sup> column (ECONOMIC ACTIVITIES) of the following table you find the corresponding text of the economic activity allocated to this three-digit industry code.

If, by way of exception, no Austrian statistics are available, it is possible to assign a specific activity to the industry code at the Internet address statistik.at in the "Classifications – Classification database – Economic sectors – ÖNACE 2008 –Display" section.

In the advertisement you can search by the structure of ÖNACE.

At "Downloads", an alphabetic list is available for download. At "Search" you will find all economic activities (occupations and professions) of ÖNACE in a directory comprising approx. 29,000 terms. The code thus found, consisting of a combination of letters and numbers, enables assignment to the correct industry code.

Example: "Fresh Water Fishing" – ÖNACE code "A 03.12" corresponds to BKZ 031 (Fishery), and "Chimney sweepers" – ÖNACE code "N 81.22-1" corresponds to BKZ 812 (Cleaning of buildings, roads and means of transport).

The economic activities are broken down into sections in the table below.

Please also refer to the explanations on mixed operations in Note 12, Section B of these completion instructions.

<b>BKZ</b>	<b>ECONOMIC ACTIVITIES</b>
<b>A</b>	<b>Agriculture and forestry, fishery</b>
011	Cultivation of annual plants
012	Cultivation of perennial plants
013	Operation of tree nurseries and cultivation of plants for propagation purposes
014	Animal husbandry
015	Mixed agriculture
016	Provision of agricultural service activities
017	Hunting, trapping and related activities
021	Forestry
022	Logging
023	Collecting of products growing in the wild (excluding wood)
024	Provision of forestry and logging services
031	Fishery
032	Aquaculture
<b>B</b>	<b>Mining and quarrying</b>
051	Coal mining
052	Lignite mining
061	Extraction of crude oil
062	Extraction of natural gas
071	Iron ore mining
072	Mining of non-ferrous metals
081	Quarrying of natural stone, gravel, sand, clay and kaolin
089	Other mining and quarrying (not classified further)
091	Services to oil and natural gas extraction
099	Services to other mining and quarrying activities
<b>C</b>	<b>Production of goods</b>
101	Slaughtering and meat processing
102	Fish processing

<b>BKZ</b>	<b>ECONOMIC ACTIVITIES</b>
103	Fruit and vegetable processing
104	Production of vegetable and animal oils and fats
105	Milk processing
106	Grinding and husking mills, manufacture of starches and starch products
107	Production of pastries and pasta products
108	Production of other food products
109	Production of fodder
110	Beverage production
120	Tobacco processing
131	Preparation and spinning of textile materials
132	Weaving
133	Finishing of textiles and clothing
139	Production of other textile products
141	Production of clothing (excluding fur apparel)
142	Production of fur products
143	Production of wearing apparel of knitted or crocheted fabric
151	Production of leather and leather products (excl. leather garments)
152	Production of shoes
161	Sawing, planing and wood impregnation plants
162	Production of other products of wood, cork, straw and plaiting materials (excluding furniture)
171	Production of pulp, paper, cardboard and paper board
172	Production of goods of paper, cardboard and paper board
181	Production of printed materials
182	Reproduction of recorded sound, image and data carriers
191	Coking plant
192	Mineral oil processing
201	Production of chem. raw materials, fertilisers and nitrogen compounds; plastics and synthetic rubber in primary forms
202	Production of pesticides and other agrochemical products
203	Production of paints, varnishes and similar coatings, printing ink and putties
204	Production of soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations
205	Production of other chemical products
206	Production of synthetic fibres
211	Production of basic pharmaceutical products
212	Production of pharmaceutical specialities and other pharmaceutical products
221	Production of rubber items
222	Production of plastic items
231	Production of glass and glass products
232	Production of refractory ceramic materials and goods
233	Production of ceramic building materials
234	Production of other porcelain and ceramic products
235	Production of cement, lime and burnt gypsum
236	Production of items of concrete, cement and plaster
237	Working and processing of natural stone (not specified elsewhere)
241	Production of pig iron, steel and ferroalloys
242	Production of steel tubes, pipes and tube or pipe fittings
243	Other initial processing of iron and steel
239	Production of abrasive tools and abrasives on supports, as well as other products from non-metallic minerals (not specified elsewhere)
244	Production and initial processing of non-ferrous metals
245	Foundries
251	Steel and light metal construction
252	Production of metal tanks and containers; manufacture of central heating radiators and boilers
253	Production of steam generators, excluding central heating boilers
254	Production of weapons and ammunition
255	Production of forging, pressing, drawing, stamping, rolled ring and powder metallurgy products
256	Surface finishing and heat treatment; mechanics (not specified elsewhere)
257	Production of cutlery, tools, locks and mountings of base metal
259	Production of other fabricated metal products
261	Production of electronic components and printed circuit boards
262	Production of computers and peripheral equipment
263	Production of telecommunications equipment and installations
264	Production of consumer electronics equipment
265	Production of measuring, control, navigating and similar instruments and appliances; manufacture of watches and clocks
266	Production of irradiation, electrotherapy and electro-medical equipment
267	Production of optical instruments and photographic equipment
268	Production of magnetic and optical data carriers
271	Production of electric motors, generators, transformers and electricity distribution and control equipment

<b>BKZ</b>	<b>ECONOMIC ACTIVITIES</b>
272	Production of batteries and accumulators
273	Production of cables and electrical installation material
274	Production of electric lamps and lighting equipment
275	Production of household appliances
279	Production of other electrical equipment (not classified further)
281	Production of general-purpose machinery
282	Production of other general-purpose machinery
283	Production of agricultural and forestry machinery
284	Production of tool machines
289	Production of machines for other defined industries
291	Production of motor vehicles and their engines
292	Production of coachworks, bodyworks and trailers
293	Production of parts and accessories for motor vehicles
301	Ship and boat building
302	Rail vehicle construction
303	Aerospace production
304	Production of military combat vehicles
309	Production of transport equipment (not classified further)
310	Production of furniture
321	Production of coins, jewellery and related articles
322	Production of musical instruments
323	Production of sports equipment
324	Production of toys
325	Production of medical and dental instruments and materials
329	Production of articles (not classified further)
331	Repair of fabricated metal products, machinery and equipment
332	Installation of machinery and equipment (not classified further)
<b>D</b>	<b>Power supply</b>
351	Electricity supply
352	Gas supply
353	Heat and cold supply
<b>E</b>	<b>Water supply; sewerage and waste management and environmental remediation activities</b>
360	Water Supply
370	Waste water disposal
381	Waste collection
382	Waste treatment and disposal
383	Recovery
390	Pollution removal and other disposal
<b>F</b>	<b>Construction</b>
411	Development of properties; building project organisers
412	Construction of buildings
421	Construction of roads and railway lines
422	Civil engineering and construction of sewage treatment plants
429	Other civil engineering
431	Demolition work and preparatory construction-site work
432	Building installations
433	Other development
439	Other specialised construction activities
<b>G</b>	<b>Wholesale and retail trade; repair of motor vehicles</b>
451	Trade in motor vehicles
452	Maintenance and repair of motor vehicles
453	Trading in motor vehicle components and accessories
454	Sale, maintenance and repair of motorcycles and related parts and accessories
461	Trade brokerage
462	Wholesale of agricultural raw materials and live animals
463	Wholesale of food, beverages and tobacco
464	Wholesale of consumer items and goods for consumption
465	Wholesale of IT and communication technology equipment
466	Wholesale of other machinery, equipment and supplies
467	Other wholesale trade
469	Wholesale without a pronounced focus
471	Retail sale of goods of various types (in salerooms)
472	Retail sale of food, beverages and tobacco products (in salerooms)
473	Retail sale of automotive fuel (service stations)
474	Retail sale of IT and communication technology equipment (in salerooms)
475	Retail sale of other household appliances, textiles, do-it-yourself and furnishing supplies (in salerooms)
476	Retail sale of publishing products, sports equipment and toys (in salerooms)

<b>BKZ</b>	<b>ECONOMIC ACTIVITIES</b>
477	Retail sale of other goods (in salerooms)
478	Retail at stalls and markets
479	Retail sale, not in salerooms, stalls or markets
<b>H</b>	<b>Transportation and storage</b>
491	Long-distance passenger transport by rail
492	Carriage of goods by rail
493	Other land passenger transport
494	Freight transport by road, relocation services
495	Transport in long-distance pipelines
501	Passenger maritime and coastal water transport
502	Sea and coastal water transport of goods
503	Passenger transport by inland waterway
504	Inland waterway transport of goods
511	Passenger transport by air
512	Aerospace transport of goods
521	Warehousing
522	Provision of other service activities for transport and traffic
531	Postal services provided by universal service providers
532	Other postal, courier and express services
<b>I</b>	<b>Accommodation and gastronomy</b>
551	Hotels, inns and guest houses
552	Holiday accommodation and similar establishments
553	Camp-sites
559	Other places of accommodation
561	Restaurants, pubs, snack bars, cafés, ice cream parlours, etc.
562	Caterers and other food service activities
563	Sale of beverages
<b>J</b>	<b>Information and communication</b>
581	Publishing of books and periodicals; other publishing (excl. software)
582	Software publishing
591	Motion picture and television programme production, their distribution and sale, cinematographic activities
592	Recording studios; radio production; publishing of recorded music and musical works
601	Radio broadcasters
602	Television broadcasters
611	Wired telecommunications
612	Wireless telecommunications
613	Satellite telecommunications
619	Other telecommunications
620	Provision of information technology services
631	Data processing, hosting and related activities; web portals
639	Other information service activities
<b>K</b>	<b>Financial and insurance services</b>
641	Central banks and credit institutions
642	Holding companies
643	Fiduciary and other funds and similar financial institutions
649	Other financial institutions
651	Insurance companies
652	Reinsurance companies
653	Pension funds and pension funds
661	Activities related to financial services
662	Activities related to insurance services and pension funding
663	Fund Management
<b>L</b>	<b>Real estate and housing</b>
681	Purchase and sale of own real estate, buildings and apartments
682	Renting and letting of own or leased land, buildings and apartments
683	Procurement and management of real estate, buildings and apartments for third parties
<b>M</b>	<b>Professional, scientific and technical activities</b>
691	Legal advice
692	Auditing and tax consultancy; accounting
701	Administration and management of companies and businesses
702	Public relations and management consulting
711	Architecture and engineering offices
712	Technical, physical and chemical analyses
721	Research and development in the natural sciences, engineering, agricultural sciences and medicine
731	Advertising
732	Market and opinion research
722	Research and development in the fields of law, economics, social sciences, linguistics, cultural studies and humanities

<b>BKZ</b>	<b>ECONOMIC ACTIVITIES</b>
741	Studios for textile, jewellery, graphics, etc. design
742	Photography and photo laboratories
743	Translating and interpreting
749	Other professional, scientific and technical activities not mentioned elsewhere
750	Veterinary services
<b>N</b>	<b>Provision of other economic services</b>
771	Renting out of motor vehicles
772	Renting out of consumer goods
773	Renting out of machinery, equipment and other moveable property
774	Leasing of non-financial intangible assets (excluding copyrights)
781	Placement service
782	Temporary secondment of labour
783	Other secondment of labour
791	Travel agencies and tour operators
799	Other reservation service activities
801	Private security services
802	Security services using monitoring and alarm systems
803	Detective agencies
811	Janitorial services
812	Cleaning of buildings, roads and means of transport
813	Gardening, landscaping and other gardening activities
821	Secretarial and typing services, copy shops
822	Call centres
823	Trade fair, exhibition and congress organisers
829	Other economic service activities for companies and individuals
<b>O</b>	<b>Administration, defence, social security</b>
841	Public administration
842	Foreign affairs, defence, justice, public security and order
843	Social security coverage
<b>P</b>	<b>Education and teaching</b>
851	Kindergartens and preschools
852	Elementary schools
853	Secondary schools
854	Tertiary and post-secondary, non-tertiary education
855	Other education
856	Provision of services for education
<b>Q</b>	<b>Healthcare and welfare</b>
861	Hospitals
862	Doctors' and dentists' surgeries
869	Health care not mentioned elsewhere
871	Nursing homes
872	Inpatient facilities for psychosocial care, combating addiction, etc.
873	Old people's homes; old people's and disabled people's homes
879	Other homes (excluding recreation and holiday homes)
881	Social care for the elderly and the disabled
889	Other social and welfare work (excluding homes)
<b>R</b>	<b>Art, entertainment and recreation</b>
900	Creative, artistic and entertaining activities
910	Libraries, archives, museums, botanical and zoological gardens
920	Gambling, betting and lottery
931	Provision of sports services
932	Other amusement and recreation service activities
<b>S</b>	<b>Other service activities</b>
941	Business and employers' associations, professional organisations
942	Employee associations
949	Ecclesiastic associations; political parties and other bodies representing interests and associations not mentioned elsewhere
951	Repair of computers and telecommunications equipment
952	Repair of consumer goods
960	Other personal service activities
<b>T</b>	<b>Private households, activities by private households</b>
970	Private households with domestic staff
981	Manufacture of goods by private households for own final use without a pronounced focus
982	Provision of services by private households for their own use without a pronounced focus
<b>U</b>	<b>Ex-territorial organisations and bodies</b>
990	Ex-territorial organisations and bodies