

AUSTRIA – TAX CONSIDERATIONS ON SHORT-TERM LETTINGS

The following information can help you get started in learning about some of the tax requirements that might apply to you when providing short-term accommodation in Austria.

Tax can be tricky and it is important to ensure that you keep up to date with your tax obligations and remain tax compliant. The timely preparation, filing and payment of taxes are your responsibility.

If you are supplying short-term accommodation in Austria, you should make sure that you understand each of the following types of taxes, and pay the ones that apply to you;

- Income taxes
- Value added tax (VAT)

Please note that the information contained in this guide is limited to income taxes and VAT. Other taxes may apply to you, including, for example, tourist taxes.

Please understand that this information is not comprehensive, and is not intended to be legal advice. If you are unsure about your local tax obligations, we encourage you to check this with official local sources, or to seek advice from qualified professionals.

Please note that we do not update this information in real time, so you should confirm that the laws or procedures have not changed recently.

We draw your attention to the fact that Airbnb may have an obligation to report income earned by users of the platform. Therefore, if there is a mismatch between the information reported by Airbnb and the income you reported in your annual income tax return, the tax authorities may ask you questions.

INCOME TAX

Where an individual earns income in Austria, it is likely that they will be required to pay a percentage of tax on this income to the Austrian Tax Authority. Below is a brief outline of tax that may arise on income earned from short-term lettings in Austria and some information on how this tax can be paid to the Austrian Tax Authority.

Austria's tax year runs from 1 January to 31 December.

Austrian income tax rates

Austria has a progressive tax rate ranging from 0% to 55%. The applicable tax rate will depend on what total income you may have.

Coming within the charge to income tax in Austria

Threshold regarding total annual income:

- €2,126 if you have a limited tax liability¹ in Austria
- €11,693 if are considered to have an unlimited tax liability in Austria
- If you have a wage tax liability in Austria (e.g., because you are employed in Austria), no income tax on the rental income applies if the rental income is below €730 Euro per year (and the taxpayer has no other taxable income).

If you are unsure as to how your rental income should be treated, you should consider seeking advice from a tax professional.

Reporting tax in Austria

[FinanzOnline](#) (electronic filing).

Note: In the case of let property which is owned by more than one person (owner community), a special tax filing and registration for the rental income on conjointly owned and let property may be obligatory.

Reporting tax - filing deadline

Filing deadline for income tax return 2023:

- paper filing: 30 April 2024
- electronic filing: 30 June 2024
- electronic filing where the income tax return is filed by an Austrian tax adviser: 31 March 2025

Reporting tax - payment deadline

After you submit your tax return, the Austrian fiscal authority should make the tax assessment within six months. Once the tax assessment is received by you, you usually have one month

¹ Meaning that the individual is not an unlimited tax resident in Austria, but has income from Austrian sources that will be taxable in Austria pursuant to an applicable double tax treaty.

after receipt to make payment.

Income tax prepayments are assessed quarterly based on taxable profits of the previous year, and must be paid on the 15th of February, May, August and November. These payments are credited against the annual tax payment based on the annual tax return.

Austria Tax Authority contact details

In Austria, there is one, single Tax Office. The general telephone number is +43 50233 233.

For additional information, please refer to [website](#) of the Austrian tax authorities.

Austria specific rules applicable to income earned in relation to short-term lets

Rental income may be considered income from commercial activities if:

- you rent more than ten guest beds, or
- you rent out more than five holiday apartments and provide additional services (e.g., provide breakfast)

In other cases, when the rental activity is less extensive and no significant additional services beyond breakfast are offered, it will most likely be considered rental income.

The assessment of the type of income should be done individually for each taxpayer.

Typical expenses that can be deducted from an individual's income in relation to short-term lets

- Mortgage payments
- Insurance costs
- Maintenance costs
- Depreciation
- Platform fees
- Other general expenses which are caused by the rental activity

Please note that only part of the expenses may be deductible, *i.e.*, only the part that applies to the letting of the property. If the property is used for private purposes as well, the expenses allocated to the private use is generally not deductible.

For rental income, the Austrian tax authorities also recognize lump sum expenses of 30% to 50% of the income (without VAT and tourist taxes) under certain conditions, instead of the actual expenses.

Deductions available for tax depreciation (e.g., capital allowances / wear and tear)

The annual depreciation on the building portion of the property is generally 1.5%. Maintenance and repair costs have to be depreciated for tax purposes for the duration of 15 years depending on the nature of the repairs or renovation.

Note: Only part of the depreciation may be deductible, i.e., only the part which refers to the letting of the property. If the property is used for private purposes as well, the depreciation allocated to the private use is generally not deductible.

Sample Computation		
Julia owns a 2 bedroom house in Vienna. She occasionally rents out the spare room on the weekends.		
The spare room has been rented out for a combined 3 months during the year.		
Julia received total gross rent in 2023 of €6,000 for the 3 month period the property was rented.		
Julia incurred the following expenses in relation to this house in 2023: house insurance €600, local, mortgage interest €5,500, depreciation €6,000 and electricity €600. The spare room accounts for 1/4 of the house.		
		€
Gross rental income		6,000
Less allowable expenses:*		
	House insurance	(38)
	Mortgage interest	(344)
	Electricity	(38)
	Depreciation	(375)
Net taxable rental income		5,205

** Expenses have been restricted as property was only rented out for 3 months in the year and the room only accounts for 1/4 of the property. Rounded to the next full Euro.*

If Julia would opt for the 30% lump sum deduction, her net taxable rental income would only be €4,200.

Austrian income tax obligation for non-resident individuals

Typically, if you are a non-Austrian resident you will have a tax obligation regarding Austrian rental income received. However, this mostly depends on the applicable Double Tax Treaty ('DTT') between Austria and your resident country and whether it says that Austria has the taxation rights on the rental income derived in Austria.

Austrian income tax obligations for an Austrian individual in receipt of foreign rental income

If you are Austrian tax resident the liability of paying additional taxes in Austria depends on the applicable DTT and whether the exemption method or credit method is concluded within the DTT. Therefore, it can happen that you have to pay (additional) tax on foreign rental income in Austria.

General property taxes payable

Property tax applies to all property owned in Austria and is not affected by whether the property is rented out or not. The basis for assessment is the taxation value of the property. The tax rate varies depending on the community in which the property is located.

Capital gains taxes in Austria.

Income tax is due on profits from the sale of the property. The tax rate is 30% on the capital gain and is usually calculated by the public Notary or the Attorney at Law, who administers the sale. The Notary/Attorney will also be responsible for the calculation of the 3.5% real estate transfer tax (RETT) and the 1.1% court fees (for the entry in the land register), which are customarily paid by the buyer.

VALUE ADDED TAX

Value added tax can be complicated and you should take time to understand the rules as they apply to you and your particular situation.

Broadly speaking, Value-Added Tax (VAT) in Austria is a tax on consumption. Most goods and services supplied in Austria are subject to VAT.

A person who supplies goods and/or services in Austria may have to charge VAT and pay this to the Austrian tax authority. As with all taxes, we encourage you to consult with a tax advisor regarding your potential VAT obligations in Austria.

If you are currently renting a room to guests, you may be required to apply VAT to your rental charge and to pay this VAT amount to the Austrian tax authorities. As Airbnb is not supplying the rental, it is the responsibility of the host to consider local VAT obligations of the rental charge.

Do I need to collect any VAT from guests if I am letting short-term accommodation in Austria?

In general, individuals who are considered to be in business in Austria need to charge VAT on their supplies, once the criteria for VAT registration is met.

Currently, in Austria, you are required to register for VAT if you supply services to the value of €35,000 within a 12 month-period. As such, where you supply short term accommodation and you exceed this threshold, you should register for VAT. Below this threshold, you may qualify for the small business VAT exemption.

If you are an individual who is not resident in Austria, but your accommodation is located in Austria, you should also register for Austrian VAT as the small business VAT exemption does not apply to you.

We encourage you to consult a tax advisor if you need assistance in determining whether you need to register for and charge Austrian VAT.

For further guidance on registering for VAT, please see the Austrian tax authorities' [website](#).

VAT applies to me. How do I determine how much tax I need to collect from my guests?

VAT rates differ per country and change periodically. We recommend you to check on a regular basis with the local tax authority to get the most up to date VAT rates for the country where you are required to pay VAT.

For example, at the date of issuance of this document, the Austrian VAT rate applicable to supplies of accommodation services, without any additional services such as breakfast and cleaning services, is 10%.

There are other VAT rates currently in force in Austria, so we recommend that you confirm with a local tax advisor the VAT rate applicable to your supplies (e.g., for rented garages or parking

spaces, a tax rate of 20% may apply).

VAT applies to me. How do I collect VAT from guests?

If you determine that you need to charge VAT on the supplies that you make to guests, please keep in mind that you have to collect this VAT from your guests and report and remit this VAT on a VAT return. In Austria, the VAT return typically covers a monthly period (e.g., January) and is required to be filed electronically via FinanzOnline by the 15th of the second month following the taxable period (e.g., the January VAT return is due to be filed by the 15th March, if that date falls on a working day). The VAT payment is required to be made on the same day that the VAT return is required to be filed. If your sales do not exceed €100,000 in the previous calendar year, you are required to calculate and report VAT on a quarterly basis. There is also a requirement to file an annual return which is due by 30th June of the following year.

Some formalities, such as issuing a receipt or an invoice to your guests, may be required. Please find more information on this [here](#).

For further guidance on filing returns, please see the Austrian tax authorities' [website](#).