



# AUSTRIA

Chapter prepared by

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# 1 TAXES ON ACQUISITION

## 1.1 VAT

All vehicles (new cars, second-hand cars, passenger cars, caravans, commercial vehicles, buses, etc) are subject to VAT (*Umsatzsteuer*) at a rate of 20% when the vehicle is acquired from a taxable person registered for VAT. VAT is levied on the effective invoice price.

A person registered for VAT is allowed to deduct the VAT (through input VAT) on the purchase of commercial vehicles for professional use. With the exception of certain exemptions, such as cars for driving schools and taxis, deductions are not allowed for passenger cars and combination cars (Kombinationswagen). Since 1 January 2016 a deduction of VAT (through input VAT) is also applicable for zero-CO<sub>2</sub> emission passenger cars (e.g. electric vehicles and hydrogen-powered cars).

## 1.2 FUEL CONSUMPTION/POLLUTION TAX

### 1.2.1 Calculation of fuel consumption/pollution tax

Fuel consumption/pollution tax (*Normverbrauchsabgabe – NoVA*) is levied on the purchase price (net) or commercial leasing fee of new passenger cars and motorcycles and on passenger cars and motorcycles not yet registered nationally. There are tax exemptions for, inter alia, electric or electrohydraulic cars, cars for driving schools, taxis, ambulances, vehicles for diplomatic use, and vehicles for disabled persons.

**The percentage is calculated as follows (from 1 March 2014):**

#### **Motorcycles with a cylinder capacity exceeding 125cm<sup>3</sup>**

$0.02x$  (cylinder capacity in cm<sup>3</sup> minus 100)

(The maximum NoVA rate for motorcycles is 20%. Motorcycles with a cylinder capacity not exceeding 125cm<sup>3</sup> will not be charged NoVA.)

#### **Passenger cars (including minibuses and caravans) and combination cars**

(CO<sub>2</sub> emissions in g/km minus 90 divided by 5) minus NoVA deduction, plus NoVA malus fee (if applicable).

The NoVA malus fee is €20 for each g/km of CO<sub>2</sub> emission exceeding 250g/km. (eg CO<sub>2</sub> emissions of 270g/km would result in a malus fee of €400).

CO<sub>2</sub> emissions are calculated based on type permission in accordance with the Austrian Kraftfahrzeuggesetz 1967 or on EU type permission.

A NoVA deduction of €350 for diesel vehicles and of €450 for gasoline vehicles was granted from 1 March 2014 to 31 December 2014. In 2015, this deduction was reduced for diesel and gasoline cars to €400. On 1 January 2016, the deduction was again reduced for both types of cars (diesel and gasoline), to €300.

A NoVA deduction of €600 for environmentally friendly vehicles (hybrid, E85, LNG, and hydrogen cars, etc) applied until 31 December 2015. On 1 January 2016, the deduction was reduced to €300.

The maximum NoVA rate for passenger cars is 32% (not including malus fee, if applicable) and is rounded to the nearest whole number.

NoVA is incorporated into the basic retail price of the vehicle, but VAT is not applied to the total amount anymore and is now charged separately.

NoVA can be refunded for rental/leasing cars exported from Austria based on the standard market value of the car.

Since 1 January 2007, NoVA has also been refunded for vehicles exported from Austria in proportion with the common value of the vehicle. Since 1 January 2016, such a refund has also been available to private persons selling their vehicle to a buyer in a foreign country.

### 1.3 TAX ALLOWANCES

Taxable persons have several options for recording the acquisition and use of a business vehicle in their financial records.

- Deduction of VAT/other tax benefits: for business vehicles that are not passenger cars or combination cars (exceptions: cars for driving schools, taxi companies, and leasing companies), the VAT on the purchase price can be deducted. Since 1 January 2016 a deduction of VAT (through input VAT) is also applicable for zero-CO2 emission passenger cars (e.g. electric vehicles and hydrogen-powered cars). In addition, a tax allowance (*Gewinnfreibetrag*, §10 of the *Einkommensteuergesetz*) of up to 13% (ie 4.5-13%) of a company's profit can be granted for investing in such vehicles, up to a maximum of €45,350, if the company's profit exceeds €30,000.
- In the case of the sale of a vehicle owned for at least 7 years, the profit resulting from the difference between the sale price and the registered book value can be deducted from the acquisition price of new goods (instead of being treated as profit from the sale).
- Depreciation can be applied to all vehicles as long as they are used for business purposes. Depreciation of a vehicle is generally calculated over 8 years (passenger cars) or 3-10 years (all other vehicles) on the basis of the purchase price (including pollution tax and VAT, as long as it is not deductible). If the value of a car is such that it is considered a luxury product (purchase price exceeding €40,000), only the percentage up to this amount of the purchase price (including all accessories) is deductible in the tax declaration for depreciation.
- Operating costs – or at least the percentage of the operating costs that result from business use of the car – can be deducted from profit. If the car is used for private means to a certain extent, this percentage of the total cost is not deductible from corporate income. The operating costs (including depreciation) of a private car used for business reasons can be deducted at a rate of €0.42/km (since 1 August 2008).

### 1.4 REGISTRATION CHARGES

For the registration of vehicles, the following administration fees are charged:

Vehicle type	New vehicles	Second-hand vehicles (€)
Passenger cars, combination cars	191.10	191.10
Lorries, coaches	191.10	191.10
Heavy machinery	180.60	180.60
Special vehicles, trailers	180.60	180.60
Motorcycles	182.10	182.10
Deregistration	–	–

## 2 TAXES ON OWNERSHIP

### 2.1 VEHICLE TAX

Vehicle tax is levied on all Austrian vehicles and on all foreign vehicles registered in Austria. The basis of taxation is cylinder capacity for motorcycles and horsepower for all other vehicles.

In the case of passenger cars and combination vehicles subject to compulsory third-party insurance – from 1 January 1997 for all vehicles with a gross weight below 3.5t – Engine-Related Insurance Tax (*motorbezogene Versicherungssteuer*) is applicable, whereas Vehicle Tax (*Kraftfahrzeugsteuer*) applies to all other vehicles.

#### 2.1.1 Calculation of Vehicle Tax (effective from 1 March 2014)

The monthly rates of vehicle tax can be calculated using the following formula (valid from 1 March 2014):

Type of vehicle (gross weight)	Monthly rate (€)	Notes	Minimum rate (€)	Maximum rate (€)
Motorcycles <sup>1</sup>	<b>0.025/cm<sup>3</sup></b> (for yearly payment in advance)	Per cm <sup>3</sup> cylinder capacity		
Passenger cars, combination cars and vehicles < 3.5t <sup>2</sup> <sup>3</sup>	<i>For all vehicle engines</i> <b>0.62 × (kW – 24) × f</b> <i>(for the first 66kW)</i> <b>0.66 × (kW – 24) × f</b> <i>(for the next 20kW)</i> <b>0.75 × (kW-24) × f</b> <i>(for each exceeding kW)</i>	kW = kilowatts f = number of months (for yearly payment in advance)	6.20	72.00 (does not apply to passenger and combination cars)
Vehicles 3.5-12t	1.55/t		15.00	
Vehicles 12t-18t	1.70/t			
Vehicles > 18t	1.90/t			80.00
Trailers 3.5-12t 12-18t > 18t	1.55/t 1.70/t 1.90/t		15.00	66.00

For motorcycles; passenger and combination cars; and other vehicles registered abroad and being temporarily used in Austria, a daily rate of vehicle tax (*Kraftfahrzeugsteuer*) of €1.10; €2.20; and €13.00, respectively, may be applied.

<sup>1</sup> For monthly payment in advance, the rate increases by 10%. For motorcycles, then, a monthly payment rate of €0.0275/cm<sup>3</sup> applies. An increase of 6% and 8% applies to 6-monthly and quarterly payments, respectively.

<sup>2</sup> The tax is payable together with the insurance premium. The rate increases by 20% for vehicles registered before 1 January 1987 if they do not meet certain emission standards.

<sup>3</sup> For monthly payment in advance, the rates mentioned increase by 10% (§6 Versicherungssteuergesetz) – ie €0.682/month, €0.726/month, €0.825/month – and a maximum rate of €80 applies. An increase of 6% and 8% applies to 6-monthly and quarterly payments, respectively.

## **2.1.2 Tax exemptions**

The main tax exemptions relate to vehicles used in official services (local authorities, ambulance services, the fire brigade, etc); buses, coaches; taxis; vehicles for the disabled; electric cars; works trucks, digging machines, etc; motorcycles with a cylinder capacity below 100cm<sup>3</sup>; exemptions due to bilateral contracts (eg holiday traffic); and vehicles with a gross weight of over 3.5t used for combined transport to and from inland railway stations only.

According to EU law, there are further exemptions for vehicles with a gross weight of over 12t in another EU member state; cars owned by foreign students registered in another EU member state and used in Austria; and passenger cars and combination cars registered in another EU member state and used in Austria for a period not exceeding six months.

## 3 TAXES ON MOTORING

### 3.1 FUEL TAX

	<b>Diesel</b>	<b>LPG</b>	<b>Super95</b>	<b>Super100</b>
Product cost incl profit (€/1000l)	743.69	488.17	734.97	893.31
<i>Pflichtnotstandsreserve</i> <sup>4</sup> (€/1000l)	12.64	0.00	11.36	11.36
Fuel tax (€/1000l)	397.00	261.00	482.00	482.00
Subtotal (€/1000l)	1,153.33	749.17	1,228.33	1,386.67
VAT (%)	20.00	20.00	20.00	20.00
<b>Price at the pump (€1000l)</b>	<b>1,384.00</b>	<b>899.00</b>	<b>1,474.00</b>	<b>1,664.00</b>

Figures as at 13 December 2016

In general, fuel tax rates depend on the fuel type, the amount of sulphur and the amount of biogenic material in the fuel as follows:

<b>Type of fuel</b>	<b>Rate of MÖSt in €1000l (from 1 January 2011)</b>
Unleaded/Eurosuper (Super95)/SuperPlus (Super100) with an amount of sulphur ≤ 10mg/kg (≤ 0.013g Pb/l)	515
Unleaded/Eurosuper (Super95)/SuperPlus (Super100) with an amount of sulphur > 10mg/kg (≤ 0,013g Pb/l)	515
Unleaded/Eurosuper (Super95)/SuperPlus (Super100) with an amount of sulphur ≤ 10mg/kg (≤ 0.013g Pb/l) with biogenous amount min 46l/1000l	482
Diesel with an amount of sulphur ≤ 10mg/kg	425
Diesel with an amount of sulphur > 10mg/kg	425
Diesel with an amount of sulphur ≤10mg/kg with biogenous amount min 66l/1000l	397

Note: MÖSt, Mineralölsteuer (Fuel Tax)

### 3.2 INSURANCE TAXES

All vehicles must be covered by a third-party insurance policy. Insurance policies are subject to an insurance tax (*Versicherungssteuer*) amounting to 11% of the annual fee.

### 3.3 TOLLS/ROAD PRICING CHARGE

#### Passenger cars and light commercial vehicles

<sup>4</sup> Compulsory emergency reserves

It is compulsory for motorcycles, passenger cars, and other vehicles with a gross weight of up to 3.5t to carry a toll sticker (*Vignette*) for circulation on all Austrian highways and expressways.

Tolls on other specified roads can be levied in addition.

Toll sticker prices, including VAT, are as follows:

	<b>Yearly toll sticker</b>	<b>2-month toll sticker</b>	<b>10-day toll sticker</b>
<b>Validity</b>	1 December of the previous year to 31 January of the following year	2 consecutive calendar months	0:00 hours on the day of issue to 24:00 hours on the 9 <sup>th</sup> consecutive day
<b>Cost for motorcycles (€)</b>	34.40	13.00	5.10
<b>Cost for cars and other vehicles up to 3.5t (gross weight) <sup>(1)</sup> (€)</b>	86.40	25.90	8.90

Figures as at 1 December 2016

(1) Trailers towed by these vehicles are not obliged to carry toll stickers. Camping vehicles require only one toll sticker for a vehicle up to 3.5t, regardless of the actual gross weight.

On 1 September 2008, a ‘KorridorVignette’ was introduced for vehicles with a gross weight of more than 3.5t driving along the A14, the corridor between the German border and the Hohenems junction (near the Swiss border crossing), costing €2.00 one way or €4.00 return, inclusive of VAT. The revenue from the toll stickers is used for construction and maintenance on the highly developed sections of the road network and infrastructure.

Certain Austrian road sections (eg Brenner, Tauerntunnel, Bosruck/Gleinalm, Karawankentunnel, Arlberg tunnel) have had a distance-related toll for some time. Drivers on these roads do not need to purchase toll stickers.

The following applies to circulation of passenger cars up to 3.5t on these roads:

- Commuters on their way to work do not have to pay to use these particular sections of road.
- With the possession of a yearly toll sticker (*Vignette*), €40 is deducted from the purchase price of a yearly toll road ticket for certain Austrian road sections (eg Brenner, Tauerntunnel, Arlberg tunnel).

### Heavy commercial vehicles

A distance-related road pricing charge (*fahrleistungsabhängige Maut*) was introduced on 1 January 2004 for all vehicles, vehicle combinations and buses exceeding 3.5t in gross weight for circulation on all Austrian highways and expressways. The road pricing charge is based on kilometres travelled and number of axles, and, since 1 January 2010, on the EURO emission class of the vehicle (for environmental reasons). Since 1 January 2017 noise pollution will also be taken into account along with air pollution (EURO emission classes).

<b>Buses, vehicles and vehicle combinations with a gross weight &lt; 3.5t (valid from 1 January 2017)</b>						
<b>Road pricing per km in € (excl 20% VAT)</b>						
<b>Emission group category</b>	<b>Category 2 (two axles)</b>		<b>Category 3 (three axles)</b>		<b>Category 4+ (four or more axles)</b>	
*The night rates apply between 10 p.m. and 5 a.m.	Day	Night*	Day	Night*	Day	Night*

<b>A: EURO-emission class EURO VI</b>	0.178	0.1784	0.24983	0.25075	0.37436	0.37552
<b>B: EURO-emission class V and EEV</b>	0.1966	0.197	0.27587	0.27679	0.40657	0.40773
<b>C: EURO-emission class EURO IV and V</b>	0.2029	0.2033	0.28469	0.28561	0.41665	0.41781
<b>D: EURO-emission class EURO 0 to III</b>	0.2229	0.2233	0.31269	0.31361	0.44865	0.44981

Figures as at 1 January 2017

For charging reasons, each vehicle exceeding 3.5t in gross weight has to be equipped with a GO-Box electronic transmitter. The GO-Box can be obtained for a rental charge of €5 at border stations and other specific points of sale such as gas stations, highway restaurants, etc.

For certain Austrian road sections (eg Brenner, Tauerntunnel, Arlbergtunnel) that have had a distance-related toll system for some time, the toll will now be charged electronically through the GO-Box.

## 4 PRIVATE USE OF A COMPANY CAR

### Old regulation (valid until 31 December 2015)

The total benefit was estimated at 1.5% of the purchase price (including VAT, NoVA, accessories, etc) per month; the maximum amount was €720 (from 1 March 2014).

A reduction to 0.75%, up to a maximum amount of €360, was applicable if a maximum of 500km of private use could be proven each month (from 1 March 2014). If the car was only sporadically used for private reasons (up to 300km per month), the benefit amounted to €0.50 per kilometre (€0.72 if a driver was added). The benefit of fuel was not charged separately.

For providing a free parking lot in areas with regular on-street parking controls, a benefit in kind of €14.53 per month was estimated.

Employers as well as employees were obliged to pay national insurance contributions on this sum.

### New regulation (valid from 1 January 2016)

Since 1 January 2016, the amount of the total benefit in kind has also taken into account the CO2 emissions of the car in the year of purchase.

Year of purchase	CO2 emissions limit
before 2017	130g/km
2017	127g/km
2018	124g/km
2019	121g/km
from 2020	118g/km

If the CO2 emissions of the car do not exceed the CO2 emissions limit in the year of purchase, the total benefit is based at 1.5% of the purchase price (including VAT, NoVA, accessories, etc) per month; the maximum amount is €720. For the use of a car exceeding the relevant CO2 emission limit in the year of purchase, the total benefit is estimated at 2% of the purchase price (including VAT, NoVA, accessories, etc) per month; the maximum amount is €960.

A reduction of 50% on the total benefit (calculated as above) is applicable if a maximum of 500km of private use can be proven each month. If a kilometre-driven calculation approach at €0.50/km and €0.69/km (€0.72/km and €0.96/km if a driver is added) for 1.5% (low CO2 emission) and 2% rated cars, respectively, leads to a result lower than 50%, the lower result may be considered a benefit in kind (if true records on private use are kept).

The private use of zero-CO2-emission cars (eg electric cars) does not result in any benefit in kind. The benefit of fuel is not charged separately.

For providing a free parking lot in areas with regular on-street parking controls, a benefit in kind of €14.53 per month is estimated.

Employers as well as employees are obliged to pay national insurance contributions on this sum.

## 5 PERIODIC INSPECTION OF VEHICLES

Periodic inspections (§57a) have to be carried out annually. The cost in EUROS of the inspection (including 20% VAT) is as follows:

Passenger cars	56.00
Taxis, rental cars, lorries < 3.5t (gross weight)	56.00
Lorries with three axles	135.96
Lorries with four axles	166.80
Buses, coaches	138.00
Trailers < 0.750t (gross weight), motorcycles	26.40
Trailers > 0.750t (gross weight) with two axles or more	63.60
Trailer > 0.750t (gross weight) with three axles or more	63.60

There is an additional administration fee of €1.90 for the inspection sticker.

Buses and coaches for public transport have to be checked every two months.