

Foreign entrepreneurs



Tax office

Tax office of Graz-Stadt - specialist division
Conrad von Hötzendorf-Straße 14-18
A-8018 Graz
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INFORMATION SHEET

about tax registration

of "foreign entrepreneurs"¹, who are making profits in Austria – even short term
(e.g. selling goods at events/trade fairs/seminars, in the course of EURO 2008...)

If goods are handed over in Austria (1.) or other services (2.) are carried out in Austria, i.e. if the place of delivery or other services is in Austria, then the profit, as a rule (see below) - must also be taxed in Austria.

1. The **delivery/ sale** of goods in Austria poses a taxable transaction according to § 1 para. 1 *UStG* [Austrian law on turnover tax] of 1994 and apart from a few exceptions also poses a taxable income in Austria. According to § 10 *UStG* of 1994 the turnover tax for this taxable profit is **20% or 10%** of the calculation basis according to the type of goods (price exclusive of turnover tax - § 4 *UStG* 1994).

1.1. For **delivery to other entrepreneurs** the recipient of the delivery is obliged to retain the tax from the foreign entrepreneur according to § 27 para. 4 *UStG* 1994 and to pay it into the tax account of the tax office of Graz-Stadt!

The delivering/foreign entrepreneur remains the tax debtor and the recipient of services who is obliged to pay the tax, is liable for this tax!

1.2. **Sales of goods to private persons are taxable deliveries in Austria. The delivering foreign entrepreneur must pay the legal turnover tax (independent of billing!) to the tax office of Graz-Stadt** (the assessment procedure is applied; see below for further information).

¹ It is incumbent upon the tax office of *Graz-Stadt* to take turnover tax from entrepreneurs in the whole of the federal territory, who operate their business from abroad and have neither a place of work inland, nor turnover from the use of an inland estate (§ 12 *AVOG*).

2. **Other services** are services which do not consist of a delivery, i.e. as a rule all types of **services**.

2.1. For other services which a foreign entrepreneur who has neither a residence, head quarters nor place of work inland, carries out **for an inland entrepreneur in Austria** (§ 3a UStG 1994), the tax debt is transferred to the inland entrepreneur ("**Reverse Charge System**". The service provider/ foreign entrepreneur is liable for this tax (§ 19 para. 1 second sentence UStG 1994)!

In these cases, in addition to the general billing requirements in the sense of § 11 para. 1 UStG 1994, the VAT I.D. number of the service recipient and a proof of transfer of the tax debt is to be included in invoices. Turnover tax must not be separately reported in the invoice as the service providing entrepreneur will otherwise have to pay these in addition to the service recipient, who is the tax debtor in this case, due to billing (such a turnover tax billed illegally does not authorise pre-tax allowance).

2.2. If the service recipient of the foreign service provider is not an entrepreneur, but a **private person**, the foreign entrepreneur remains the tax debtor and he must calculate and pay the turnover tax himself, independent of giving a receipt or bill!

If the requirements are fulfilled, the entrepreneur can deduct pre-tax accrued in Austria (e.g. fuelling, tolls) in the turnover tax declaration.

WARNING:

Inform yourself in good time and comprehensively at

<https://www.bmf.gv.at/ Steuern/ Fachinformation/ Umsatzsteuer/ Ausländische Unternehmer>

and/or

[http://english.bmf.gv.at/ Tax/ Foreign Entrepreneurs & Value-Added Tax \(VAT\)](http://english.bmf.gv.at/ Tax/ Foreign Entrepreneurs & Value-Added Tax (VAT))

and get tax-registered at the

Tax office of Graz-Stadt

Operation assessment team foreign department
Conrad von Hötzendorf-Straße 14 - 18
A - 8018 Graz
Tel: 0043/316/881 extension 3373 or 3388

Fax 0043/316/81-04-08 or 81-76-08
mail to: Post.FA68-BV11@bmf.gv.at

Bank details of the tax office of Graz-Stadt:

BIC: OPSKATWW
IBAN: AT70 6000 0000 0553 4681
Sort code: 60000
Acc. no.: 5534.681 (Österreichische Postsparkasse)

before the beginning of the event, trade fair or other if possible.

To **issue a tax and VAT ID number** the tax office of Graz-Stadt needs the following completed forms:

- Questionnaire concerning distribution of a tax number (**Verf 19**);
- Signature test sheet for capital companies (**Verf 26**) original version;
- Copy of trade register excerpt and/or the articles of association for capital companies;
- Application for issue of a VAT ID number (**U 15**) original version;
- Proof of entry as entrepreneur (**U 70**) original version.

See also/ downloadable forms at: <https://www.bmf.gv.at/ Steuern/ Fachinformation/ Umsatzsteuer/ Ausländische Unternehmer/ Kontakt zum Finanzamt/ Erteilung einer Steuernummer>

In addition:

Fiscal representatives:

Entrepreneurs from the **third party country**, who deliver goods to **private persons** inland or carry out other services, must assign an authorised representative / **fiscal representative**, who must also be authorised recipient, and the tax office of Graz-Stadt must be made aware of this (compare to § 27 para. 7 UStG 1994).

Recording obligation:

The entrepreneur is obliged, to make records in order to define tax and the basics of their calculation (**§ 18 UStG 1994**).

Records are to be kept of continuous cash sales e.g. during a trade fair or other event (in list form, files or till receipts amongst others.).

Excise tax (compare to §§ 49-52 *Alkoholsteuergesetz* [alcohol tax law]):

If excise taxable goods (e.g. alcohol such as spirits, liquor etc., intermediate products, beer, tobacco products) from other member states are transferred to the tax area of Austria for commercial purposes, an excise tax debt in Austria will be accrued.

Such transfers are to be announced to the **relevant customs office in Innsbruck** in advance, and the corresponding taxes must be paid in succession. This circumstance must be taken into account both for payable and non-payable handing-over of goods.

When bringing excise taxable goods to Austria the necessary **excise tax documents** (simplified accompanying document and/or accompanying administrative document) must accompany the goods. Trading tobacco products in Austria is subject to the tobacco monopoly law!

Conditions prescribed by customs law, import bans and limitations, entry tax exemption and other useful information are available on the homepage of **BMF**, www.bmf.gv.at **under the heading "Zoll" (customs)**.

Attention is to be drawn to the fact that regarding adherence to customs and tax conditions, checks both by customs and the finance management must be reckoned with and the measuring principles according to § 184 BAO can be estimated.

Last updated: 6.2.2008