

FOREIGN ENTREPRENEURS

Finanzamt Graz-Stadt – Fachbereich
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INFORMATION NOTE

on cross-border passenger transport in busses, cars or taxis in or through Austria

Legal position from 1 January 2007

An entrepreneur's country of origin or the transport route taken are not decisive for the purpose of the **value-added tax (VAT)**. Passenger transport services between **Austria and the EU** are taxed identically as passenger transport between **Austria and a third country**. Cross-border passenger transport can be carried out by busses and by cars (taxis) operating on **occasional or regular services**.

If the entrepreneur uses the services of a subcontractor for the transport, two transport services are existent and must be assessed separately. Both transport services are provided where the transport service by the sub-contractor is produced.

Only the **proportional fee** (the fee, which is allotted to the **Austrian part of the transport route**) of the passenger transport service is subject to the Austrian VAT. If a lump sum fee has been agreed upon for the entire transport service, the part of the fee subject to tax has to be determined by the proportion of the route effectuated on the Austrian territory in relation to the total transport route. Another apportioning, for instance according to the duration of the stay or in relation to the costs incurred per country, is inadmissible. The rate of taxation for passenger transport is 10%.

Calculation of the Austrian VAT

Example:

Transport service from the Czech Republic via Austria to Hungary; 170 kilometres are covered in the Czech Republic, 110 in Austria, 90 in Hungary (total number of kilometres 370, fee 3200 euro). The total transport fee is to be divided by the total number of kilometres; the sum obtained is to be multiplied by the number of kilometres covered in Austria. The result provides the basis for the assessment of the Austrian VAT of 10%.

$$3200 \text{ euro} : 370 \text{ km} = 8.65$$

$$8.65 \times 110 \text{ km} = 951.35$$

Fee in Austria :	951.35 euro
Austrian VAT 10%:	95.14 euro

1. **If the recipient of the transport service is another entrepreneur or an (Austrian) public law entity, the following applies:**

Turnover is subject to tax in Austria, the so-called Reverse Charge Procedure according to sec. 19 par. 1 VAT Act 1994 is applicable. In addition to the general invoice rules according to sec. 11 par. 1 VAT Act 1994, invoices have to include the VAT identification number of the recipient of the service and a reference to the shift of the tax liability (sec. 19 VAT Act 1994).

Assessment basis for tax is the fee for the part of the transport service provided on the Austrian territory.

The VAT must not be indicated separately; otherwise the service supplier, beside the recipient of the service, who in this case is also the tax debtor, is liable due to the invoicing. Such a falsely invoiced VAT does not entitle to deduct input VAT. The service supplier is liable for the Austrian VAT.

2. **If the transport service is provided to private individuals, the following applies:**

If the recipient of the service charges the transport service to private individuals, also in the course of travel packages, the VAT must be calculated, indicated on the invoice and, in case a foreign entrepreneur without domicile and business premises on Austrian territory, the VAT must be paid to the tax office Graz Stadt.

The foreign entrepreneur has to calculate the Austrian VAT, indicate it on the invoice and pay it to the tax office Graz Stadt; the registration and assessment for VAT have to be made at the tax office Graz Stadt.

Recording duties

In order to determine the tax and the basis for its calculation, the entrepreneur has to keep records (sec. 18 VAT Act 1994). **In this context, it is pointed out that controls by the customs and financial administration will be effectuated.**

Subject to the fulfilment of these prerequisites, the entrepreneur may claim incurred input VAT (i.e. fuelling, toll) in the VAT declaration.

Further information and forms can be found on the website www.bmf.gv.at under Steuern/Fachinformationen/Umsatzsteuer/Ausländische Unternehmer/Umsätze in Österreich

Attention

It is recommended to register for taxation before doing business. Please contact the tax office in due time. Further information under www.bmf.gv.at or at

Tax office Graz-Stadt ⁽¹⁾

Betriebsveranlagungsteams Ausländerreferate

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Bank information of the tax office Graz-Stadt:

BIC: OPSKATWW

IBAN: AT70 6000 0000 0553 4681

BLZ: 60000

Account number: 5534.681 (Österreichische Postsparkasse)

For the **allocation of a tax or VAT identification number**, the tax office Graz Stadt requires following duly completed forms:

- Questionnaire for the allocation of a tax number (**Verf 19**)
- Original of the specimen signature for corporations (**Verf 26**)
- Copy of the extract from the commercial register and/or of the Articles of Association for corporations
- Original of the application form for the allocation of a VAT identification number (**U 15**)
- Original of the registration certificate as entrepreneur (**U 17**)

Forms can be downloaded under https://www.bmf.gv.at/Steuern/Fachinformationen/Umsatzsteuer/Auslaendische_Unternehmer/Kontakt_zum_Finanzamt/Erteilung_einer_Steuernummer

An entrepreneur who has neither residence nor domicile nor business premises on the territory of the EU and who supplies, purchases inside the Community area or makes taxable turnover in Austria, has to commission an authorised representative/**fiscal representative** who is also authorised recipient and to inform the tax office Graz-Stadt (sec. 27 par. 7 VAT Act 1994). Entrepreneurs for which the recipient of the service is liable according to sec. 27 par. 4 VAT Act 1994 or for which the tax liability is shifted to the recipient (sec. 19 VAT Act 1994) are exempted from this regulation.

(1) The tax office Graz-Stadt is incumbent on levying the VAT of entrepreneurs who carry on business from outside of Austria and who have neither business premises nor turnover from the use of land property on Austrian territory (sec. 12 Tax Organisation Act), regardless of sec. 13.