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Loss carryback Austria



COVID 19 Loss carryback

In order to mitigate the economic impact of the COVID 19 crisis, the Austrian Federal Government allows to carry operating losses of 2020 up to €5 million back to 2019 (loss carry-back). The respective regulation was published on 17 September 2020.

There are three options:

1) Before filing the 2019 tax return: reduction of advance payments of income tax 2019 ex ante ("advanced COVID 19 reserve")

2) On or after filing the 2019 tax return: reduction of the tax burden 2019 via the COVID 19 reserve as extraordinary taxable costs ("early loss carry-back" from 2020)

3) On or after the 2020 tax return: reduction of the tax burden in 2019/2018 via the loss carry-back

Ad 1) The regulation stipulates, that advance tax payments for 2019 may be reduced retroactively, provided that the conditions for the COVID 19 reserve are met. This results in an immediate liquidity-related effect.

Ad 2) The precondition is that the operating income in 2019 was positive and that of 2020 will probably be negative. The anticipated loss in 2020 may be carried back into 2019 by deducting taxable costs ("reserve") in 2019.

This reserve amounts to 30% of the 2019´s profit without any verification of the loss in 2020, or 60%, if a careful estimation of the loss 2020 is being provided – up to 5 million euros.

If the 2019 tax return has been submitted already, a separate application must be filed. If it has not been filed yet, the reserve must be included in the tax return.

Ad 3) If the loss 2020 is certain, i.e. the tax return for 2020 is submitted, the loss for 2020 may be, upon request, taken into account in 2019 and the tax authorities amend the tax for 2019 accordingly.

Please do not hesitate to contact us for further information.

Your Auditorea team