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Cars and taxes in Austria



Limit for luxurious cars

Expenses for passenger cars are tax deductible only shall they be business-related and reasonable. Reasonable means a price of a new passenger car up to EUR 40.000.

When is a car considered as new?
A passenger car is considered "new" if it is acquired within 60 months from its first registration.

In relation to the EUR 40.000, the following aspects are to be reduced on an aliquot basis:
✓ Tax depreciation / cost of financial leasing
✓ Leasing instalments for operating leasing
✓ Interest
✓ Vehicle insurance

Note: The limit only applies to passenger cars. Other motor vehicles, such as trucks or buses, which partly constitute the business object itself, are not affected by this limit.

Electric cars
Purely electric vehicles are exempt from both the standardized consumption tax (NoVA) and also from the motor-related insurance tax and are subject to deduction of VAT on input. However, the limit of EUR 40.000 is relevant in the VAT context.

The private use of purely electric vehicles is exempt from income taxation and insurance contributions.

There is no exemption for Plug-in hybrid cars.

Kilometer/mileage allowance
When using one's own vehicle, the official kilometer allowance may be paid tax-free for a maximum of 30.000 km per year.

The kilometer allowance amounts to EUR 0.42/km and EUR 0.05/km for each further person transported.

It must not be paid out for driving between home and the place of work.

Caution!
If going more often than half of the working days per month to any place of work directly from home within a calendar month, this place becomes the regular place of work from the following month on.

Deduction VAT on input for vehicles

On the homepage of the ministry of finance (www.bmf.gv.at) you can find an up-to-date list of motor vehicles entitled to input tax deduction.

Registration abroad

Persons without residence in Austria
A person, whose main residence is outside Austria, may use a vehicle with a foreign registration (including EU Member States) in Austria for a maximum of one year. The one-year period starts each time when the vehicle comes to Austria.

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The abroad registered vehicle must be registered in Austria if the person moves the centre of his or her personal interest to Austria.

Persons with residence in Austria
A person who has his/her centre of interest (main residence) in Austria (resident) may only use vehicles in Austria that are also registered here. If the person uses a vehicle with a foreign registration for longer than one month after bringing it to Austria for the first time, he or she risks administrative and fiscal penalties. The vehicle must be registered in Austria.

The one time registration tax (NoVA) and quarterly vehicle tax will be due.

Attention!

In addition to motor vehicles, trailers are also considered as vehicles.

The fact that a vehicle belongs to a foreign company does not change the above facts!

Your Auditorea team

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