

Dear Team-Members!

in light of the current situation, we would like to inform you about the following special regulations enacted by the Austrian Minister of Finance (BMF-Info - IV (IV) GZ.2020-0.178.784) concerning the coronavirus. This directly affects the ancillary wage costs due on the 16.03. as well as the VAT payments due on the 16.03. and the monthly VAT advance returns and, subsequently, the reduction of the income tax and corporation tax advance payments (next due date on 15.05.).

If you have not yet paid any ancillary wage costs or value added tax due tomorrow, you can apply for a deferment of payment or an instalment, in which case we will be happy to assist you! Additionally suspending any pending interest can be suggested.

The present BMF-Info is intended to ensure that applications for a reduction of the tax prepayments and applications for payment facilities are dealt with in an unbureaucratic manner. Increasingly frequent infections with the SARS-CoV-2 Virus and associated official measures ordered by the authorities, such as domestic quarantine and the closure of educational institutions, the cancellation of events and, in general, the restriction of daily life, may lead to liquidity shortages and payment delays starting in mid-March 2020.

In all cases, the application of the measures set out below is subject to the condition that the taxpayer can credibly demonstrate that he is affected by a liquidity shortage that is specifically due to a SARS CoV-2 Virus infection. These include, for example, unusually high cancellations of hotel reservations, cancellation of sporting and cultural events due to official prohibitions, failure or impairment of supply chains or loss of income due to changes in consumer behaviour.

All applications concerning the measures listed below must be processed immediately by the competent tax authority.

1. Advance payments of income or corporation tax for 2020

1.1. Income or corporation tax prepayments for 2020 can be reduced or set at EUR 0,00 in accordance with § 45 (4) EStG

Taxpayers affected by a loss of income due to the SARS-CoV-2 Virus may apply for a reduction in advance payments of income or corporation tax for the calendar year of 2020 until 31 October 2020. In this application, the taxpayer must provide credible evidence of the probable reduction in the tax base based on the specific nature of the problem. The request can be made via "FinanzOnline". A sample form is provided for taxpayers who do not have access to "FinanzOnline". The tax authorities are to reduce the advance payments for 2020 accordingly. If there will probably be no income or corporation tax liability for the calendar year 2020, the tax authorities must set the advance payments for the calendar year 2020 at EUR 0,00. Such applications must be processed immediately.

1.2. No assessment of income or corporation tax prepayments for 2020 under specific circumstances

Insofar as income or corporation tax prepayments for the calendar year 2020 not already set at EUR 0,00, the prepayment is to be reduced to the amount that is expected for the calendar year 2020. If the taxpayer is affected in terms of liquidity by the consequences of the emergency situation caused by the SARS-CoV-2 Virus in such a way that he or she cannot pay the advance payment, he or she can suggest to his tax office that the income tax or corporation tax advance payments for the calendar year 2020 should not be determined in their entirety or assessed with an amount that is lower than the anticipated annual tax for 2020, even at nil. This is subject to the condition that the taxpayer provides credible evidence of the actual impact of the liquidity emergency caused by the SARS-CoV-2 Virus. Such suggestions must be dealt with immediately by the tax authorities.

1.3. No recovery interest

The tax authorities must refrain from assessing interest if the actual income or corporation tax liability exceeds the reduced prepayments.

2. Collection of taxes

2.1. Deferral and instalment of payments

The taxpayer can apply to the competent tax authority to postpone the payment of taxes (deferral) or to grant payment in instalments. The application must substantiate the impact on the taxpayer's situation. When processing the application, the tax office must take into account the special situation that has arisen in the individual case due to the occurrence of the SARS-CoV-2 Virus. The application must again be processed immediately by the tax authorities.

2.2. Deferral interest

The taxpayer can suggest to the competent tax authority (e.g. in the application for deferral or payment by instalments) to refrain from assessing deferral interest. The taxpayer's concrete involvement must be substantiated. If this is the case, the tax office must comply with the suggestion and reduce the deferral interest to an amount down to EUR 0,00. The suggestion must be processed at the same time as the application for deferral or payment by instalments is processed.

2.3. Late payment penalty

The taxpayer can apply to the competent tax authority to reduce or not to set a late payment penalty. In the application, the taxpayer's concrete concern must be substantiated. When processing the taxpayer's application for a reduction or non-determination of a late payment penalty, the tax office must assume that there is no gross negligence in the delay if the taxpayer has credibly demonstrated that he is actually affected.

In addition, the Austrian Health Insurance Fund (ÖGK) has put together a package of measures to provide effective support to employers in the event of short-term liquidity shortages. It is expected that the maximum deferral period can be extended from one to three months in the event of liquidity shortages due to the current situation. It is expected that the instalment period can be extended to up to 18 months. Corona-related reporting delays can probably be reviewed at the request of the companies. In individual cases, in the event of corona-related liquidity shortages, execution and insolvency applications may be postponed. No special guarantees are required for this purpose.

We will keep you informed about any further developments and want to assure you that we are also available on our mobile phones at any time should you have any questions!

Kind regards
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