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Changes small businesses Austria



The Tax Amendment Act 2024 will bring significant changes relating to the small business regulation at both national and EU level from 1 January 2025.

National changes relating to the small business VAT exemption:

✓ The turnover threshold increases to EUR 55,000 (gross)
✓ If the threshold is exceeded by up to 10%, the small business exemption can still be claimed, BUT the tax liability then applies from the next year!
✓ If the threshold is exceeded by more than 10%, the entire annual turnover no longer has to be taxed retroactively (as was previously the case), but only from the turnover that exceeded the threshold. In the following year, the liability to VAT remains!
✓ This regulation also applies to enterprises from other member states, as long as they do not exceed the union-wide turnover threshold of EUR 100,000 (see below). The exemption must be applied for in the country of establishment!

Small-value invoice:

✓ Enterprises which make use of the small business exemption may issue a simplified invoice in accordance with Section 11(6) of the VAT Act, regardless of the invoice amount
✓ For all other enterprises the threshold remains EUR 400,-

Changes relating to the small business at EU level (only applicable to B2C):

✓ A small business at EU level is one whose EU-wide annual turnover in the previous and current calendar year does not exceed EUR 100,000 (threshold)
✓ A national small business threshold of the respective Member States must not be exceeded (such as the Austrian national small business threshold of currently EUR 35,000 or EUR 55,000 gross from 1 January 2025).
✓ Austrian enterprises must apply for the small business exemption in Austria for the other EU member states.
✓ No requirement to be a small business under national law!
✓ BUT the other Member State has implemented the small business exemption according to the VAT Directive!
✓ If the threshold is exceeded, the small business exemption at EU level will cease to apply from the turnover that exceeded the threshold!
✓ In order to monitor the EU-wide turnover threshold, a quarterly report must be submitted by the end of the following month via a portal set up for this purpose.

Your Auditorea team

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