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Important topics year-end Austria



What decisions you should consider before the end of 2025.

Bringing forward investments till the end of the year can be a reasonable tax measure in Austria, especially if you, as an entrepreneur or self-employed person, want to achieve tax savings for the current year. Here are the most important aspects to keep in mind:

1. Depreciation and Profit Reduction

✔ **Immediate depreciation** for **low-value assets**: If you make investments in low-value assets (up to €1000 net), you can **fully depreciate them** in the year of acquisition.
✔ **Deduction for wear and tear:** If the acquisition cost of an asset exceeds €1000 net, you can depreciate it over its expected useful life.
✔ **Declining depreciation of 30%** for certain assets. For example, photovoltaic systems, which are usually depreciated separately from the building, can be depreciated annually at 30% of their book value and qualify for an investment allowance (see point 3).

2. Profit allowance

✔ The profit allowance in Austria is a tax benefit for **the self-employed** and **entrepreneurs (natural persons) who make eligible investments**.
✔ **Eligible investments:** depreciable fixed assets with a minimum useful life of at least 4 years (with certain exceptions) and specific stocks and bonds.

3. Investment incentive/allowance/

✔ If you invest in **movable assets costing at least €1,000 net**, you may be eligible for the investment allowance under certain conditions.
✔ The investment allowance amounts to 20% of the investment costs starting **from November 1st, 2025**. So if you invest before the end of the year, you can still benefit from this allowance for the current year.
✔ The investment allowance cannot be claimed if a profit-related investment allowance has already been used.
✔ For more details, see our client information https://www.auditorea.at/en/news/investment-incentive-austria-2025-10-15/

Conclusion:

Advancing investments at the end of the year can be an effective measure in Austria to reduce your tax burden while benefiting from depreciation and the investment allowance. This approach is especially worthwhile for larger investments in movable or fixed assets to achieve optimal tax results for the year.

Other points to note:

Turnover threshold for small businesses

Turnover threshold for small businesses: If your annual turnover does not exceed €55,000, you are exempt from VAT.

Continue to the next page >

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Entrepreneurs who are likely to exceed this threshold in 2025 should, if possible, postpone the completion of their services to 2026.

Simply deferring payment is not sufficient to remain within the small business threshold though.

Tax tips for employers

Gifts to employees at company events are tax-free and exempt from social security contributions up to **€186** per year, provided they are non-cash gifts. Cash gifts are always taxable.

Furthermore, participation in **company events** (e.g. Christmas party, company outing), is tax and levy-free up to €365 per employee per year.

Job ticket: The tax-free provision of weekly, monthly, annual, or Klimatickets for public transport is possible. Since January 1, 2023, the commuter allowance can still be claimed if a job ticket is provided.

Meal vouchers: free or subsidized meals at the workplace or in a restaurant near the workplace are tax-free up to €8 per working day. Meal vouchers up to a value of €2 per working day are also tax-exempt when used to purchase food that does not have to be consumed immediately.

Beverages at the workplace are always exempt from social security contributions and wage tax.

An annual subsidy for **childcare costs** of up to €2,000 per child exempt from social security contributions and wage tax under certain conditions.

Employee participation: employees may receive company shares worth up to €3,000 per year free of charge or at a discount. The offer must apply to all employees or to a defined group.

Employee profit sharing: profit-sharing payments of up to €3,000 per calendar year can be tax-free (but not exempt from social security contributions). They must be granted to all employees or a defined group.

Employee bonus: in 2025, a bonus of up to €1,000 per employee can be paid tax-free. However, unlike in previous years, social security contributions and other payroll-related charges still apply. If a profit-sharing payment is also granted, the combined limit of €3,000 may not be exceeded.

Your Auditorea team

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