

# Help sheet for the apportionment declaration (E 6) 2025 and Supplements to the apportionment declaration (E 6a, E 6a-1, E 6b and E 6c) for 2025

Provisions cited from the law without further description refer to the Austrian Income Tax Act 1988 (EStG 1988) in the version applicable for 2025. For detailed tax information, please refer to the Austrian Income Tax Guidelines 2000 (EStR 2000) at [bmf.gv.at/Findok](https://bmf.gv.at/Findok).

## A) Explanatory notes for the apportionment declaration (E 6) for 2025

### When must a declaration of earnings from business partnerships/partnerships of individual (apportionment) declaration) be submitted?

The apportioning of earnings presupposes (according to Section 188 (1) FFC) that several persons hold interest in earnings from

- agriculture and forestry,
- self-employment (e.g. law practice),
- commercial enterprise (e.g. general partnerships under Austrian law, limited partnerships under Austrian law and other entrepreneurial partnerships)
- rental and leasing of immovable property (e.g. land under joint ownership).

Whether such a type of income exists is determined by the provisions of the Austrian Income Tax Act 1988 (EStG 1988). **Investing parties** are not only natural persons or legal entities. In addition, associations (partnerships of individuals) of persons without their own legal personality may also receive joint income.

An apportionment procedure is performed, for example, in the case of general partnerships under Austrian law (OHG), limited partnership under Austrian law (KG), partnership under Austrian civil law (GesBR), joint ownership association or a non-genuine (atypical) dormant partnership.

The uniform apportionment of income presupposes that the investing parties receive the **same type of earnings**. Therefore, for example, the apportioning of earnings from rentals and property leasing may not include portions of earnings attributable to business assets owned by one of the parties and therefore generating operating income for that party. Where applicable, only the investment parties whose income is classified as the same type of earnings are to be included in the apportioning procedure. If multiple parties generate income of the same type, multiple apportioning procedures must be carried out (cf. margin note 6024 Austrian Income Tax Guidelines 2000 (EStR 2000)).

### What happens in apportionment of earnings (Section 188 (1) FFC)?

The earnings are apportioned for each individual party in a separate procedure. A notification of the apportioning of earnings is sent to the tax office responsible for personal income or corporate income tax assessment. The responsible tax office is bound by the notification of the apportionment. The reported earnings are taken into account when assessing personal income tax or corporate income tax. If a tax assessment notice has been issued and the apportionment does not match the share of profit/loss used in the assessment, arrangements must be made for an amended tax assessment notice pursuant to Section 295 (1) FFC. Any appeal regarding the apportionment is lodged against the **apportionment notice** (basic assessment notice) and **not** against the tax assessment notice (personal income tax or corporate income tax notice, referred to as the derived assessment notice).

The ruling in the apportionment notice encompasses:

- type of earnings,
- amount of joint earnings,
- period of apportionment and
- names of the parties and amount of their shares.

If amounts to be recognised in the apportionment procedure (e.g. special business expenses) are not recorded in the assessment notice, they can **no longer be recognised** in the derived assessment notice.

The ruling in the assessment notice on apportionment of earnings, among other things, must also specify in detail that

- the share of loss may not be carried forward,
- the share of loss (e.g. pursuant to Section 2 (2a) Austrian Income Tax Act 1988 (EStG 1988)) may not be offset, and likewise stipulate in regard to
- the use of "deferred losses" and whether
- preferential tax rates (e.g. pursuant to Section 37 Austrian Income Tax Act 1988 (EStG 1988)) may be applied to components of income.

If such apportioning is **not made**, the circumstances in question are to be **set forth in the derived** assessment notice.

### Initial entry and updating of investing parties

When the tax number is issued, information about the parties involved is also provided for the first time in Form **Verf 16**. **In addition to the percentage of the participating interest, it is also necessary to state the tax office and tax number (mandatory fields).**

**Before submitting the annual declaration (E 6)** including the necessary supplements (E 6a, E 6a-1, E 6b, E 6c, E 61), it is advisable to **check** the accuracy of the data of the parties; in any case, you must ensure that the percentages of interests held by the parties in the business partnerships/partnerships of individuals add up to **100%**.

An updating of information on the parties is required **only** in the event of any change in the recorded participating interests. Form **Verf 60** must be used for this purpose.

The following input fields - based on the relevant assessment year - are provided for this purpose:

- Tax office/tax number of the party with a participating interest
- participating interest in %,
- holding an interest from.../until...,
- validity for the following year,
- general information about the taxpayer

### What does the declaration for apportionment of income (apportionment declaration) consist of?

The following forms are provided for use:

- E 6 – Apportionment declaration
- E 6a – Supplement to the apportionment declaration for business earnings

- E 6a-1 – Supplement to Form E 6a
- E 6b – Supplement to the apportionment declaration for earnings from rentals and property leasing
- E 6c – Supplement to the apportionment declaration for flat-rate assessed earnings from agriculture and forestry
- E 61 – Supplement to the apportionment declaration (for investment participation in another association) ⇒

⇒ The tax return for apportionment includes the Apportionment Declaration (E 6) with the required supplements in each case. Form E 6 must always be submitted, along with all of the required supplements.

The following supplements may be submitted with the apportionment declaration (E 6):

| Income from                   |                       |                       |                              |
|-------------------------------|-----------------------|-----------------------|------------------------------|
| Agriculture<br>Forestry       | Self-employed<br>work | Commercial operations | Rentals and property leasing |
| E 6a, E 6a-1,<br>E 61 or E 6c | E 6a, E 6a-1, E 61    | E 6a, E 6a-1, E 61    | E 6b, 61                     |

**1 Losses that may not be offset** pursuant to Section 2 (2a) Austrian Income Tax Act may not be excluded from the income and must be entered under code **341, 342 or 371**. Losses from previous years that may be offset pursuant to Section 2 (2a) Austrian Income Tax Act may not reduce the earnings and must be entered under code **332, 346 or 372**.

**2** If the result (surplus/loss) from a further investment participation must be apportioned among the parties according to the **noted participation ratio**, this should be indicated in point 4b. In this case, the participation result ⇒

⇒ must not be included in point 4a; a separate Supplement E 6b, which concerns only the investment result, must not be completed.

If the investment result (surplus/loss) is **not** to be apportioned among the parties according to the noted participation ratio, that matter must be indicated in Supplement E 61 (ticked box for code **370**). In this case, the result from Supplement(s) E 61 (code **370**) must **not** be presented in point 4b, but instead transferred to one or more Supplement(s) E 6b (code **9540**) and included in point 4a as part of the result of Supplement E 6b.

## B) Explanatory notes for Supplement E 6a

Passages highlighted in grey only apply to balance sheet accounting; for entrepreneurial partnerships with cash-basis accounting, these passages are therefore not relevant. Where reference is made to legal provisions without further specification, this is to be understood as the Austrian Income Tax Act 1988 (EStG 1988).

### When does Supplement E 6a have to be completed?

Supplement **E 6a** must be used by business partnerships/partnerships of individuals for assessment of profit within the scope of earnings from

- agriculture and forestry (Section 21),
- self-employment (Section 22) or
- commercial enterprise (Section 23)

when profit (loss) is assessed by means of:

- **balance sheet accounting**
- **complete cash-basis accounting**
- **partial flat-rate scheme** pursuant to Section 17, provided that they do not include agriculture and forestry (e.g. the statutory flat-rate basic deduction, small entrepreneur flat-rate scheme, hospitality flat-rate scheme, commercial agent flat-rate scheme, artist/writer flat-rate scheme, chemists flat-rate scheme or the flat-rate scheme according to the ordinance concerning non-accounting commercial enterprises)
- **Full flat-rate scheme** for **grocery retailers and general merchants**.

### When must Supplement E 6a not be completed?

Supplement E 6a **may not** be completed if

- the entrepreneurial partnership generates income from agriculture and forestry income on the basis of **(partial and/or full) flat-rate scheme for agriculture and forestry**. In such cases, Supplement **E 6c** must be used.

### How many E 6a supplements must be submitted?

Since an entrepreneurial partnership, even if it engages in various activities, always has only one business entity (cf. margin note 5832 Austrian Income Tax Guidelines 2000 (EStR 2000)), only one Supplement E 6a (E 6a-1) may be filled in for each apportionment declaration E 6. Supplement E 6a must always record the results for the entire business operation. If paper submission cannot be adequately made with the prescribed space for six parties, an additional Supplement E 6a must be submitted, but with the **remaining parties** listed **only** in **point 8**. A Supplement E 6a also needs to be completed for foreign business units. The results generated by a domestic business from foreign permanent places of business must be included in Supplement E 6a.

### Under what conditions must only one Supplement E 6a be submitted with the apportionment declaration (E6) (no additional submission of Supplement E6a-1 required)?

Subject to the following requirements, submission of Supplement E 6a is sufficient and no further Supplement E 6a-1 is required if:

1. no capitalist co-entrepreneur within the meaning of Section 23a holds a participating interest in the company (see point 4 of E 6a-1) and
2. the profit/loss from Supplement E 6a is to be apportioned among the investment parties according to the **noted participation ratio** and

3. a tax-free profit allowance is **not** claimed or a tax-free profit allowance is not retroactively taxable and
4. only **one business year** ends in the calendar year and
5. profit/loss does not include capital gains relating to **business-related land** for which a special tax rate is applicable and
6. no sale and/or disposal of investment share has taken place.
7. the **small entrepreneur flat-rate scheme** is not used.

If any one of the above requirements is not met, a **Supplement E 6a-1 must** be submitted (in addition to Supplement E 6a).

**1** The **small entrepreneur flat-rate scheme** is applicable to income from self-employment or from commercial operations with the exception of income from an activity as a managing partner, a member of the supervisory board or a board member of a foundation. The prerequisite is that the VAT exemption pursuant to Section 6 (1) item 27 Austrian Value Added Tax Act 1994 (UStG 1994) for small entrepreneurs is applicable, or it is not applicable for the sole reason that turnover was achieved that would result in income not subject to the flat-rate scheme (e.g. turnover from rental resulting in rental and property leasing income) or because of a waiving of the application of the VAT exemption pursuant to Section 6 (3) Austrian Value Added Tax Act 1994. The flat-rate scheme may also be applied if its prerequisites would be met, but the VAT exemption pursuant to Section 6 (1) item 27 Austrian Value Added Tax Act 1994 (UStG 1994) does not actually apply because another VAT exemption pursuant to Section 6 (1) Austrian Value Added Tax Act 1994, associated with the exclusion of input tax deduction, takes precedence.

Profit is the difference between operating revenues (excluding value added tax, which must be recorded under code **9027**) and the flat-rate operating expenses (recorded in code **9039**). The flat rate amounts to 45% of operating revenues. Otherwise, for a service enterprise, flat-rate operating expenses amount to 20% of operating revenues.

The applicable flat rate is stipulated in the Service Providers Ordinance, Federal Law Gazette (BGBl) II No. 615/2020.

In addition to the flat-rate operating expenses, the values stipulated in Section 17 (3a) item 3 letter a (among others, compulsory insurance contributions to be recorded in code **9926** of Supplement E 6a-1) and the basic tax-free allowance (to be recorded in code **9271** of Supplement E 6a-1) must be incorporated into the assessment.

In the case of travel and commuting costs that are offset by a reimbursement of costs in an equal amount to be recorded as operating revenues, the recording of them as additional operating expenses legally guarantees that they do not affect profit (economic pass-through); these costs are not to be taken into account when calculating the flat-rate assessment.

**2** Where **balance sheet accounting** (comparison of business assets) is used to calculate profit, a copy of the statement of financial position (annual financial statements, balance sheet) and the profit and loss statement must be submitted to the tax office.

The profit must be assessed pursuant to **Section 5** if according to Section 189 of the Austrian Commercial Code (UGB) or other federal regulations an accounting obligation exists and earnings are generated from commercial operations (Section 23). If the requirements for balance sheet accounting pursuant to Section 5 Austrian Income Tax Act 1988 (EStG 1988) are not met, the balance sheet accounting is performed pursuant to **Section 4 (1)**.

**3** Assessment of profit by **complete cash basis accounting** means that no flat-rate scheme is used and the operating expenses are recorded in full. Operating revenues must be reported as relevant for codes **9040** to **9093** and operating expenses as relevant for codes **9100** to **9233**. The code **9259** (flat-rate operating expenses) must not be filled in.

**4** The choice between "VAT gross system" and "VAT net system" must always be specified in the case of cash basis accounting or with flat-rate scheme that systematically corresponds to cash basis accounting (see notes 16.3 and 16.4 for further information). If all turnover is non-genuinely VAT exempt (e.g. for a **small entrepreneur**), please tick "Gross system".

**5** When using the **flat-rate scheme**, operating revenues are recorded in full, but operating expenses are deducted at a flat rate of **13.5%** or **6%** of the turnover.

Apart from the flat-rate deduction, only the following may be deducted:

- expenses for goods, raw materials, semi-finished products, auxiliary materials and ingredients
- expenses for wages (including non-wage labour costs),
- expenses for third-party wages, insofar as these flow directly into services that form the business purpose of the enterprise (e.g. contract manufacturing of goods),
- social security contributions and contributions to self-employed pension schemes,
- the workspace flat-rate deduction,
- 50% of expenditures for a weekly, monthly or annual ticket for public transportation, and
- travel and commuting expenses, insofar as they are offset by a reimbursement of costs in the same amount; these travel and commuting expenses reduce the turnover relevant for assessment of the flat-rate amount.

All other operating expenses are covered by the operating expense flat-rate amounts, which must be recorded under code **9259** (see note 48).

**6** The **hospitality industry flat-rate scheme** can be used by licensed hospitality businesses. The **basic flat-rate allowance (15%** of turnover, at least 6,000 euros) includes all operating expenses with the exception of

- expenses covered by the other two flat-rate schemes and
- expenses that even with flat-rate allowances, must in any case be accounted for separately.

The **mobility flat-rate scheme (2% to 6%** of turnover) covers

- all motor vehicle expenses and business expenses for use of other means of transport and
- travel expenses.

The **energy and premises flat-rate scheme (8%** of turnover) includes all costs incurred by use of premises. The (entire) flat-rate amount must be entered in code **9259**.

In addition, the basic tax-free allowance and certain operating expenses remain fully deductible: cost of goods sold, wages and non-labour wage costs, social security contributions, training and further education of employees, depreciation for wear and tear (AfA), maintenance and refurbishment, rentals and leasing of property, and cost of borrowed funds. You can find further information in the Austrian Income Tax Guidelines 2000 (EStR 2000), margin notes 4287 et. seq.

**7** The **chemists flat-rate scheme** corresponds to the basic flat-rate tax scheme in terms of content, see note 5.

**8** According to the **artist/writer flat-rate scheme ordinance**, certain operating expenses can be recognised under code **9259** at a flat rate of **12%** of turnover up to a maximum of 8,725 euros.

The following are covered by the flat-rate allowance: expenditures for customary technical equipment (especially computers, sound recorders including recording and playback devices); expenses for telephone and office supplies; expenses for specialist literature and entrance fees; business-related expenses for clothing, cosmetics and other expenditures related to appearance; per-diem allowance; expenses for premises located in an apartment complex (in particular a study, studio, recording studio, rehearsal rooms); expenses for entertaining business associates; and business expenses that cannot customarily be documented. Expenses not covered by the flat-rate allowance must be entered in the relevant codes.

**9** Under the **sales representative flat-rate scheme**, certain operating expenses can be recognised under code **9259** at a flat rate of **12%** of turnover, up to a maximum of 5,825 euros.

The following are covered by the flat-rate allowance: per-diem allowance; expenses for premises located in an apartment complex (in particular, storage and office space); expenses for entertaining business associates; and business expenses that cannot customarily be documented, such as tips. Expenses not covered by the flat-rate allowance must be entered in the relevant codes.

**10** Under the **sportspersons flat-rate scheme ordinance**, internationally active sportspersons who are subject to unlimited tax liability in Austria (on the basis of their domicile or habitual residence) and who, in the calendar year, predominantly perform in the context of sporting events (competitions, tournaments) in other countries, may,

upon application, have their income from sports activities, including advertising activities, taxable in Austria assessed at the rate of 33% of all such income (foreign and domestic). However, earnings excluded from the tax base (67%) must be recognised when apportioning the tax for other income (entry under code **440** in Form E 1). Crediting of foreign taxes paid on earnings assessed on a flat-rate basis is not permitted.

When using the flat-rate scheme, only 33% of the operating revenues and operating expenditures are to be recorded under the relevant codes; the 67% to be presented separately may not be entered under code **9259**.

**11** The **non-accounting traders** flat-rate scheme ordinance, Federal Law Gazette (BGBl) No. 55/1990, prescribes industry-specific flat rates for operating expenses in a total of 54 lines of commercial activity. In addition, the following operating expenses can be recognised:

purchase of goods, raw materials, auxiliary materials, semi-finished products and ingredients (according to the goods receipt book); wage expenses (according to the wage account), employer's contribution to statutory social security, contribution to housing subsidies, employer's contribution to the family burden equalisation fund; depreciation; expenses for rentals or property leasing, energy, heating, post and telephone; VAT paid (excluding VAT on self-supply) and VAT (input tax) for expenditures that must be capitalised; contributions to compulsory insurance in the statutory health, accident and pension insurance funds as well as the basic tax-free allowance.

**12** Please enter the line of your professional activity in this field in the form of a three-digit **industry code** (BKZ). The following applies to **mixed businesses**: A mixed business exists if at least 20% of the business turnover cannot be assigned to the specified industry code. In this case, the industry code for the majority of turnover must be specified it must be indicated that a mixed business exists.

The industry codes (BKZ) have been derived from the ÖNACE 2025 (Austrian version of NACE = European classification of economic activities).

The three-digit industry code corresponds to the first three digits (with a leading zero) of the ÖNACE. As a rule, this can be ascertained from the notification from the Federal Statistics Office in Austria, enabling a classification to be made easily.

In the 2nd column (ECONOMIC ACTIVITIES) of the following table you will find the corresponding text of the economic activity assigned to this three-digit industry code.

If in exceptional cases no notification is received from Statistics Austria, a specific assignment of an activity to the industry code can be found at [www.statistik.at](http://www.statistik.at) under "Classifications - Classification database - Economic sectors - ÖNACE 2025".

The display can be searched using the ÖNACE structure.

An alphabetical table is available for download under "Downloads". You can use the "Search" function to find all of ÖNACE's economic activities (occupations) in a directory containing around 29,000 terms. In this way, you will find a code consisting of a combination of letters and numbers, enabling you to assign your activity to the correct industry code.

For example: "Freshwater fisheries" – ÖNACE code "A 03.12" corresponds to BKZ 031 (Fisheries), or "chimney sweeps" – ÖNACE code "N 81.22-1" corresponds to BKZ 812 (Cleaning of buildings, streets and means of transport).

Economic activities are divided into sections in the table below.

| <b>BKZ</b> | <b>ECONOMIC ACTIVITIES</b>                                                                                               |
|------------|--------------------------------------------------------------------------------------------------------------------------|
| <b>A</b>   | <b>Agriculture, forestry and fisheries</b>                                                                               |
| 011        | Cultivation of primary and secondary plants                                                                              |
| 012        | Cultivation of perennial plants                                                                                          |
| 013        | Operation of tree nurseries and cultivation of plants for breeding purposes                                              |
| 014        | Animal husbandry                                                                                                         |
| 015        | Mixed agriculture                                                                                                        |
| 016        | Provision of agricultural services and post-harvest activities                                                           |
| 017        | Hunting, trapping and related activities                                                                                 |
| 021        | Forestry                                                                                                                 |
| 022        | Logging                                                                                                                  |
| 023        | Collecting of wild products (excluding wood)                                                                             |
| 024        | Provision of forestry and logging services                                                                               |
| 031        | Fisheries                                                                                                                |
| 032        | Aquaculture                                                                                                              |
| 033        | Provision of fisheries and aquaculture services                                                                          |
| <b>B</b>   | <b>Mining and quarrying of stone and earths</b>                                                                          |
| 051        | Coal mining                                                                                                              |
| 052        | Lignite mining                                                                                                           |
| 061        | Extraction of petroleum                                                                                                  |
| 062        | Extraction of natural gas                                                                                                |
| 071        | Iron ore mining                                                                                                          |
| 072        | Non-ferrous metal ore mining                                                                                             |
| 081        | Extraction of natural stones, gravel, sand, clay and kaolin                                                              |
| 089        | Other mining: quarrying of stone and earths (not otherwise specified)                                                    |
| 091        | Provision of services for extraction of oil and natural gas                                                              |
| 099        | Provision of services for other mining and quarrying of stones and earths                                                |
| <b>C</b>   | <b>Manufacture of goods</b>                                                                                              |
| 101        | Slaughtering and meat processing                                                                                         |
| 102        | Fish processing                                                                                                          |
| 103        | Fruit and vegetable processing                                                                                           |
| 104        | Production of vegetable and animal oils and fats                                                                         |
| 105        | Production of dairy products and ice cream                                                                               |
| 106        | Grinding and hulling mills, production of starch and starch products                                                     |
| 107        | Production of baked goods and pasta                                                                                      |
| 108        | Production of other foods                                                                                                |
| 109        | Production of animal feed                                                                                                |
| 110        | Beverage production                                                                                                      |
| 120        | Tobacco processing                                                                                                       |
| 131        | Textile processing and spinning                                                                                          |
| 132        | Weaving                                                                                                                  |
| 133        | Finishing of textiles and clothing                                                                                       |
| 139        | Manufacture of other textile goods                                                                                       |
| 141        | Manufacture of clothing from knitted and crocheted fabrics                                                               |
| 142        | Manufacture of other clothing and clothing accessories                                                                   |
| 151        | Tanning, dyeing and finishing of leather and hides; manufacture of luggage, handbags, saddlery and harness               |
| 152        | Manufacture of shoes                                                                                                     |
| 161        | Sawmills, planers and processing and finishing of timber                                                                 |
| 162        | Production of other wood, cork, wicker and plaited products                                                              |
| 171        | Production of wood and pulp, paper, cardboard and paper board                                                            |
| 172        | Manufacture of goods from paper, cardboard and paper board                                                               |
| 181        | Production of printed matter                                                                                             |
| 182        | Reproduction of pre-recorded sound, image and data carriers                                                              |
| 191        | Coking plant                                                                                                             |
| 192        | Production of mineral oil products and fossil fuels                                                                      |
| 201        | Production of chemical raw materials, fertilisers and nitrogen compounds; plastic and synthetic rubber in primary moulds |
| 202        | Manufacture of pesticides, plant protection and disinfectants                                                            |
| 203        | Manufacture of paints, printing inks and putties                                                                         |
| 204        | Manufacture of soaps, detergents, cleaning and polishing materials                                                       |
| 205        | Manufacture of other chemical products                                                                                   |
| 206        | Manufacturing of chemical fibres                                                                                         |
| 211        | Production of pharmaceutical raw materials                                                                               |
| 212        | Manufacture of pharmaceutical specialities and other pharmaceutical products                                             |

| <b>BKZ</b> | <b>ECONOMIC ACTIVITIES</b>                                                                                                                     |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| 221        | Manufacture of rubber goods                                                                                                                    |
| 222        | Manufacture of plastic goods                                                                                                                   |
| 231        | Manufacture of glass and glassware                                                                                                             |
| 232        | Manufacture of refractory ceramic materials and goods                                                                                          |
| 233        | Manufacture of ceramic building materials                                                                                                      |
| 234        | Manufacture of other porcelain and ceramic products                                                                                            |
| 235        | Production of cement, lime and fired plaster                                                                                                   |
| 236        | Manufacture of products from concrete, cement and plaster                                                                                      |
| 237        | Machining and processing of natural stones and stones (not otherwise specified)                                                                |
| 239        | Manufacture of abrasive products and abrasives on backing, as well as other products made from non-metallic minerals (not otherwise specified) |
| 241        | Production of pig iron, steel and ferro-alloys                                                                                                 |
| 242        | Manufacture of steel pipes, pipe fittings, pipe plugs and pipe connectors made of steel                                                        |
| 243        | Other initial processing of iron and steel                                                                                                     |
| 244        | Production and initial processing of non-ferrous metals                                                                                        |
| 245        | Foundries                                                                                                                                      |
| 251        | Steel and light metal construction                                                                                                             |
| 252        | Manufacture of metal tanks and containers                                                                                                      |
| 253        | Manufacture of weapons and ammunition                                                                                                          |
| 254        | Manufacture of forged, pressed, drawn and stamped parts, rolled rings and powder metallurgy products                                           |
| 255        | Surface finishing and heat treatment; metal processing (not otherwise specified)                                                               |
| 256        | Manufacture of cutlery, tools, locks and fittings of base metal                                                                                |
| 259        | Manufacture of other metal goods                                                                                                               |
| 261        | Manufacture of electronic components and printed circuit boards                                                                                |
| 262        | Manufacture of data processing equipment and peripheral equipment                                                                              |
| 263        | Manufacture of devices and equipment for telecommunications technology                                                                         |
| 264        | Manufacture of consumer electronics devices                                                                                                    |
| 265        | Manufacture of measuring and control instruments and of clocks                                                                                 |
| 266        | Manufacture of radiation and electrotherapy devices and electromedical devices                                                                 |
| 267        | Manufacture of optical and photographic instruments and devices, and of magnetic and optical data carriers                                     |
| 271        | Manufacture of electric motors, generators, transformers and electricity distribution and switching equipment                                  |
| 272        | Manufacture of batteries and accumulators                                                                                                      |
| 273        | Manufacture of cables and electrical installation material                                                                                     |
| 274        | Manufacture of electric lamps and lights                                                                                                       |
| 275        | Manufacture of household appliances                                                                                                            |
| 279        | Manufacture of other electrical equipment and devices                                                                                          |
| 281        | Manufacture of non-sector-specific machines                                                                                                    |
| 282        | Manufacture of other non-sector-specific machines                                                                                              |
| 283        | Manufacture of agricultural and forestry machinery                                                                                             |
| 284        | Manufacture of machine tools                                                                                                                   |
| 289        | Manufacture of machines for other specific industries                                                                                          |
| 291        | Manufacture of automobiles and automobile engines                                                                                              |
| 292        | Manufacture of bodywork, superstructures and trailers                                                                                          |
| 293        | Manufacture of parts and accessories for motor vehicles                                                                                        |
| 301        | Ship and boat building                                                                                                                         |
| 302        | Rail vehicles construction                                                                                                                     |
| 303        | Aerospace engineering                                                                                                                          |
| 304        | Manufacture of military combat vehicles                                                                                                        |
| 309        | Manufacture of vehicles (not otherwise specified)                                                                                              |
| 310        | Manufacture of furniture                                                                                                                       |
| 321        | Production of coins, jewellery and similar products                                                                                            |
| 322        | Manufacture of musical instruments                                                                                                             |
| 323        | Manufacture of sports equipment                                                                                                                |
| 324        | Manufacture of toys                                                                                                                            |
| 325        | Manufacture of medical and dental apparatus and materials                                                                                      |
| 329        | Manufacture of products (not otherwise specified)                                                                                              |
| 331        | Repair and maintenance of metal products, machines and equipment                                                                               |
| 332        | Installation of machinery and equipment (not otherwise specified)                                                                              |
| <b>D</b>   | <b>Power supply</b>                                                                                                                            |
| 351        | Electricity supply                                                                                                                             |
| 352        | Gas supply                                                                                                                                     |
| 353        | Heat and cooling supply                                                                                                                        |
| 354        | Activities of electricity and natural gas brokers                                                                                              |

| <b>BKZ</b> | <b>ECONOMIC ACTIVITIES</b>                                                               |
|------------|------------------------------------------------------------------------------------------|
| <b>E</b>   | <b>Water supply; sewage and waste disposal and clean-up of environmental pollution</b>   |
| 360        | Water supply                                                                             |
| 370        | Sanitation                                                                               |
| 381        | Collection of waste                                                                      |
| 382        | Recycling of waste                                                                       |
| 383        | Waste disposal without recycling                                                         |
| 390        | Clean-up of environmental pollution and other activities in waste recycling              |
| <b>F</b>   | <b>Construction</b>                                                                      |
| 410        | Construction of buildings                                                                |
| 421        | Construction of roads and railway lines                                                  |
| 422        | Constructions of utilities                                                               |
| 429        | Other civil engineering                                                                  |
| 431        | Demolition work and preparatory site work                                                |
| 432        | Construction installation                                                                |
| 433        | Other expansions                                                                         |
| 434        | Specialised building construction works                                                  |
| 435        | Specialised civil engineering works                                                      |
| 436        | Agency activities for specialised construction professions                               |
| 439        | Other specialised construction activities                                                |
| <b>G</b>   | <b>Trade</b>                                                                             |
| 461        | Trade brokerage                                                                          |
| 462        | Wholesale of agricultural commodities and live animals                                   |
| 463        | Wholesale of food, beverages and tobacco products                                        |
| 464        | Wholesale trade in consumer goods and consumables                                        |
| 465        | Wholesale of information and communication technology equipment                          |
| 466        | Wholesale of other machines, equipment and accessories                                   |
| 467        | Wholesale trading of motor vehicles, motor cycles, and their parts and accessories       |
| 468        | Other wholesale                                                                          |
| 469        | Wholesale without a distinct focus                                                       |
| 471        | Retail sale of goods of various kinds                                                    |
| 472        | Retail sale of food, beverages and tobacco products                                      |
| 473        | Motor fuel retail                                                                        |
| 474        | Retail sale of information and communication technology equipment                        |
| 475        | Retail sale of other household appliances, textiles, do-it-yourself and furnishing needs |
| 476        | Retail of publishing products, sports equipment and toys                                 |
| 477        | Retail sale of other goods (not including motor vehicles and motorcycles)                |
| 478        | Retail sale of motor vehicles, motor cycles, and their parts and accessories             |
| 479        | Agency activities for the retail trade                                                   |
| <b>H</b>   | <b>Transportation and storage</b>                                                        |
| 491        | Passenger transport by rail                                                              |
| 492        | Goods carriage by rail                                                                   |
| 493        | Other land passenger transport                                                           |
| 494        | Road transport of goods, removal transport                                               |
| 495        | Transport in long-distance pipelines                                                     |
| 501        | Passenger transport in maritime and coastal shipping                                     |
| 502        | Goods transport in maritime and coastal shipping                                         |
| 503        | Passenger transport in inland waterways                                                  |
| 504        | Goods transport in inland waterways                                                      |
| 511        | Passenger transport in aviation                                                          |
| 512        | Cargo transportation in aviation and space transport                                     |
| 521        | Storage                                                                                  |
| 522        | Provision of other transport services                                                    |
| 523        | Agency activities for transport                                                          |
| 531        | Postal services provided by universal service providers                                  |
| 532        | Other postal, courier and express services                                               |
| 533        | Agency activities for postal, courier and express services                               |
| <b>I</b>   | <b>Accommodation and gastronomy</b>                                                      |
| 551        | Hotels, inns and guest-houses                                                            |
| 552        | Holiday dwellings and similar accommodation facilities                                   |
| 553        | Campsites                                                                                |
| 554        | Agency activities for accommodation services                                             |
| 559        | Other accommodation facilities                                                           |
| 561        | Restaurants, pubs, snack bars, cafés, ice cream parlours, etc.                           |

|            |                                                                                                                                                       |
|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>BKZ</b> | <b>ECONOMIC ACTIVITIES</b>                                                                                                                            |
| 562        | Caterers and provision of other catering services                                                                                                     |
| 563        | Dispensing of drinks                                                                                                                                  |
| 564        | Agency activities for gastronomic services                                                                                                            |
| <b>Y</b>   | <b>Publishing, broadcasting, and creation and processing of media content</b>                                                                         |
| 581        | Publishing of books and magazines; other publishing (not including software)                                                                          |
| 582        | Publishing of software                                                                                                                                |
| 591        | Production of films and television programs, their rental and distribution, cinemas                                                                   |
| 592        | Recording studios; production of radio contributions; publishing of pre-recorded sound carriers and music                                             |
| 601        | Radio broadcasters and distribution of audio content                                                                                                  |
| 602        | Television broadcasters and distribution of video content                                                                                             |
| 603        | News agencies and other distribution of media content                                                                                                 |
| <b>K</b>   | <b>Telecommunications, software development, IT consulting and provision of other services for information technology and computer infrastructure</b> |
| 611        | Wired, wireless and satellite telecommunications                                                                                                      |
| 612        | Resale and agency activities for telecommunications                                                                                                   |
| 619        | Other telecommunications                                                                                                                              |
| 621        | Programming activities                                                                                                                                |
| 622        | Provision of IT consulting services and operation of data processing facilities                                                                       |
| 629        | Provision of other information technology services                                                                                                    |
| 631        | Data processing, hosting and related activities                                                                                                       |
| 639        | Web search portals and provision of other information services                                                                                        |
| <b>L</b>   | <b>Provision of financial and insurance services</b>                                                                                                  |
| 641        | Central banks and credit institutions                                                                                                                 |
| 642        | Holding companies and financing conduits                                                                                                              |
| 643        | Trusts and other funds and similar finance institutions                                                                                               |
| 649        | Other financing institutions                                                                                                                          |
| 651        | Insurance                                                                                                                                             |
| 652        | Reinsurance                                                                                                                                           |
| 653        | Pension funds                                                                                                                                         |
| 661        | Activities related to financial services                                                                                                              |
| 662        | Activities related to insurance services and pension funds                                                                                            |
| 663        | Fund management                                                                                                                                       |
| <b>M</b>   | <b>Real estate and housing</b>                                                                                                                        |
| 681        | Purchase and sale of own land, buildings and apartments, and development of land                                                                      |
| 682        | Rental, leasing of own or leased land, buildings and apartments                                                                                       |
| 683        | Brokerage and management of land, buildings and apartments for others                                                                                 |
| <b>N</b>   | <b>Provision of freelance, scientific and technical services</b>                                                                                      |
| 691        | Legal advice                                                                                                                                          |
| 692        | Auditing and tax advice; accounting                                                                                                                   |
| 701        | Administration and management of enterprises and businesses                                                                                           |
| 702        | Business consulting                                                                                                                                   |
| 711        | Architectural and engineering offices                                                                                                                 |
| 712        | Technical, physical and chemical analysis                                                                                                             |
| 721        | Research and development in the field of natural sciences, engineering, agricultural sciences and medicine                                            |
| 722        | Research and development in the field of law, economics, social sciences, linguistics, cultural studies and art                                       |
| 731        | Advertising                                                                                                                                           |
| 732        | Market and opinion research                                                                                                                           |
| 733        | Public relations consultancy                                                                                                                          |
| 741        | Textile, jewellery, graphic and similar design studios                                                                                                |
| 742        | Photography and photo laboratories                                                                                                                    |
| 743        | Translation and interpreting                                                                                                                          |
| 749        | Other scientific and technical activities (not otherwise specified)                                                                                   |
| 750        | Veterinary medicine                                                                                                                                   |
| <b>O</b>   | <b>Provision of other economic services</b>                                                                                                           |
| 771        | Rental of motor vehicles                                                                                                                              |
| 772        | Rental of consumer goods                                                                                                                              |
| 773        | Rental of machines, devices and other movable property                                                                                                |
| 774        | Leasing of non-financial intangible assets (excluding copyrights)                                                                                     |
| 775        | Agency activities for rental and leasing of movable property and non-financial intangible assets                                                      |
| 781        | Agency services for labour                                                                                                                            |
| 782        | Provision of workers and other personnel services                                                                                                     |
| 791        | Travel agencies and tour operators                                                                                                                    |

| <b>BKZ</b> | <b>ECONOMIC ACTIVITIES</b>                                                                                                                                 |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 799        | Provision of other reservation services                                                                                                                    |
| 800        | Guard and security services and detectives                                                                                                                 |
| 811        | Janitorial services                                                                                                                                        |
| 812        | Cleaning of buildings, streets and means of transport                                                                                                      |
| 813        | Gardening and landscaping and provision of other horticultural services                                                                                    |
| 821        | Secretarial and typing services, copy shops                                                                                                                |
| 822        | Call centres                                                                                                                                               |
| 823        | Trade fair, exhibition and congress organisers                                                                                                             |
| 824        | Agency activities for provision of economic services for enterprises and private individuals (not otherwise specified)                                     |
| 829        | Provision of economic services for enterprises and private individuals (not otherwise specified)                                                           |
| <b>P</b>   | <b>Public administration, defence and social security</b>                                                                                                  |
| 841        | Public administration                                                                                                                                      |
| 842        | Foreign affairs, defence, justice, public security and order                                                                                               |
| 843        | Social security                                                                                                                                            |
| <b>Q</b>   | <b>Education and teaching</b>                                                                                                                              |
| 851        | Kindergartens and preschools                                                                                                                               |
| 852        | Primary schools                                                                                                                                            |
| 853        | Secondary schools and post-secondary non-tertiary education                                                                                                |
| 854        | Tertiary teaching                                                                                                                                          |
| 855        | Other teaching                                                                                                                                             |
| 856        | Provision of teaching services                                                                                                                             |
| <b>R</b>   | <b>Health and social care</b>                                                                                                                              |
| 861        | Hospitals                                                                                                                                                  |
| 862        | Medical and dental practices                                                                                                                               |
| 869        | Healthcare not otherwise specified                                                                                                                         |
| 871        | Nursing homes                                                                                                                                              |
| 872        | In-patient facilities for psychosocial care, combating addiction, etc.                                                                                     |
| 873        | Retirement homes and homes for the elderly and disabled                                                                                                    |
| 879        | Other homes (excluding convalescent homes and holiday homes) and activities for in-patient care                                                            |
| 881        | Social care for the elderly and disabled                                                                                                                   |
| 889        | Other social services (not including homes)                                                                                                                |
| <b>S</b>   | <b>Art, sports and recreation</b>                                                                                                                          |
| 901        | Creative art activities                                                                                                                                    |
| 902        | Performing arts                                                                                                                                            |
| 903        | Provision of services for creative art activities and performing arts                                                                                      |
| 911        | Libraries and archives                                                                                                                                     |
| 912        | Museums, collections, historical sites and monuments                                                                                                       |
| 913        | Conservation, restoration and other supporting activities for cultural heritage                                                                            |
| 914        | Botanical and zoological gardens and nature parks                                                                                                          |
| 920        | Gaming, betting and lottery services                                                                                                                       |
| 931        | Provision of sports services                                                                                                                               |
| 932        | Provision of other entertainment and recreation services                                                                                                   |
| <b>T</b>   | <b>Provision of other services</b>                                                                                                                         |
| 941        | Business and employer associations, professional organisations                                                                                             |
| 942        | Workers' associations                                                                                                                                      |
| 949        | Church associations; political parties and other interest groups and associations                                                                          |
| 951        | Repair and maintenance of data processing and telecommunications equipment                                                                                 |
| 952        | Repair and maintenance of consumer goods                                                                                                                   |
| 953        | Repair and maintenance of motor vehicles and motorcycles                                                                                                   |
| 954        | Agency activities for the repair and maintenance of data processing equipment and consumer goods, as well as motor vehicles and motorcycles                |
| 961        | Laundries and chemical cleaning                                                                                                                            |
| 962        | Hairdressers and beauty salons, day spas and similar                                                                                                       |
| 963        | Funeral services                                                                                                                                           |
| 964        | Agency activities for predominantly personal services                                                                                                      |
| 969        | Provision of other predominantly personal services                                                                                                         |
| <b>U</b>   | <b>Private households with domestic staff and production of goods and provision of services by private households for own use without a distinct focus</b> |
| 970        | Private households with domestic staff                                                                                                                     |
| 981        | Production of goods by private households for their own use without a distinct focus                                                                       |
| 982        | Provision of services by private households for their own use without a distinct focus                                                                     |
| <b>V</b>   | <b>Extraterritorial organisations and agencies</b>                                                                                                         |
| 990        | Extraterritorial organisations and agencies                                                                                                                |

**13** Taxpayers who are **no longer required to maintain books of account** by reason of having fallen below the turnover threshold of Section 189 of the Austrian Commercial Code (UGB) and who receive income from commercial operations (Section 23) may apply to continue assessment of profits pursuant to Section 5 Austrian Income Tax Act 1988 (EStG 1988). The application must be submitted for the year in which the business year ends for the first time at which the accounting obligation no longer applies. The application is binding on the taxpayers until revoked; in this case, the relevant box must be ticked. The application expires automatically upon returning to the obligation to maintain books of account pursuant to Section 189 of the Austrian Commercial Code (UGB).

**14** The assessment of profit for the purposes of an apportionment procedure is performed for one **business year**. Therefore, please enter the exact dates for the beginning and end of the business year. Only if a second business year ends in the same calendar year do you also specify the start and end of the second business year. In this case, **Supplement E 6a-1** must be filled in and the profit/loss for each business year must be stated in this form.

## 15 Re "Assessment of profit"

**15.1** For **entrepreneurial partnerships using balance sheet accounting** with assessment of profit according to **Section 5**, the earnings and expenses to be entered here must correspond to the estimates of the profit and loss account according to the company balance sheet. Any corrections must be entered under "3. Corrections and additions to profit/loss (surplus/deficit calculation for tax purposes)".

**15.2** For **entrepreneurial partnerships using balance sheet accounting** with assessment of profit according to **Section 4 (1)**, the earnings and expenses to be entered here may correspond to the estimates of the profit and loss account according to the company balance sheet. In this case, any corrections/additions must be entered under "3. Corrections and additions to profit/loss (surplus/deficit calculation for tax purposes)". However, all earnings and expenses may also be stated here with the relevant tax values. In this case, no further corrections may be made in this regard.

**15.3** For entrepreneurial partnerships with **cash basis accounting**, both options are available for entry under "2. Assessment of profit" as follows:

**15.3.1** As a rule, the operating revenues and operating expenses to be entered here must be entered using **tax-relevant** values. Corrections under "3. Corrections and additions to be made to profit/loss increase/decrease calculation for tax purposes)" must not be made.

**15.3.2** If the operating income and operating expenses to be entered here are not entered with the tax-relevant values in the cash-basis accounting, the necessary corrections must then be made under "3. Corrections and additions to profit/loss (surplus/deficit calculation for tax purposes)".

**15.4** To the extent that reference is made to the content of the **Austrian Uniform Chart of Accounts (EKR)**, **entrepreneurial partnerships using balance sheet accounting** must recognise only the expenditures/income to be recorded in the expressly designated accounts or the balance sheet items subordinate to the relevant codes. Income that may not be recorded under the relevant special codes must be entered under code **9090**. Expenditures that

may not be recorded under the relevant special codes must be entered under code **9230**.

**15.5** Entrepreneurial partnerships with **cash-basis accounting** are required to enter under code **9090** any operating revenues that may not be recorded under the relevant special codes. Operating expenses that must not be recorded under the relevant special codes must be entered under code **9230**.

**15.6** As a general rule, income/operating revenues and expenditures/operating expenses must be entered **without a positive/negative sign**. This means that income/operating revenues are recorded as positive values and expenditures/operating expenses as negative values. If a code for income/operating revenues or expenditures/operating expenses shows a negative value (e.g. for corrections to expenditures/proceeds of sale), enter a negative sign ("-") for the relevant code.

## Re "Yields/operating revenues"

**16 Code 9040: Code 9040: Revenues (proceeds from sale of goods/ services) without Section 109a Austrian Income Tax Act 1988 (EStG 1988) - EKR 40 - 44 - including self-supply (value of transfer of current assets to private assets)**

**16.1** Turnover generated by **partnerships with balance sheet accounting** (excluding value added tax, EKR 400 - 439, see note 16.5) must be entered under code **9040**, after deduction for contra-revenue accounts (EKR 440 - 449, see note 16.6). Domestic revenues that are recorded in a notification pursuant to Section 109a must be entered only under code **9050**.

**16.2** In the case of **cash-basis accounting**, domestic revenues (with payment received) (see note 16.5) must be entered here after deduction for contra-revenue accounts (see note 16.6). Domestic revenues that are recorded in a notification pursuant to Section 109a must be entered only under code **9050**. Cash basis accountants may choose the gross or net method with regard to value added tax (cf. in particular margin notes 744 to 762 Austrian Income Tax Guidelines 2000 (EStR 2000)).

**16.3** Under the **VAT gross system**, the value added tax invoiced by a cash basis accountant must be treated as operating revenue at the time of receipt and as operating expenditure at the time of payment to the tax office. The input tax amounts that are invoiced by the cash-basis accountant from suppliers constitute operating expenses at the time of payment and operating revenues at the time of offsetting with the tax office. Operating revenues and operating expenses must therefore be presented including value added tax (**gross VAT presentation**, see below). When acquiring (producing) assets that must be capitalised, the deductible input taxes must be separated from the costs of acquisition (production), which are to be deducted through depreciation. The total of the VAT payables paid in the assessment year constitutes an operating expense (to be entered under code **9230**), and the total of any VAT credits constitutes operating revenue to be entered under code **9090**. If there are both VAT payables and VAT credits, they must be netted; in the case of a credit surplus, this must be entered under code **9090**, in the case of a payable surplus, this must be entered under code **9230**. In the case of the VAT gross system, there are **two** options for presentation, namely

- **gross presentation** (see above) and
- **net presentation** of operating income/expenses with VAT presented separately (see note 22).

**16.4** Under the **net VAT system**, the value added tax, which is treated as a pass-through item (Section 4 (3) third sentence), is not recognised on either the revenue side or the expenditure side. All revenues and expenses with deductible input tax are therefore presented only net. The net system is only permitted for taxpayers for whom the value added tax may generally have a pass-through character. Net settlement is therefore not possible in the following cases:

- where an entrepreneur generates non-genuine tax-exempt turnover that is related to non-deductible input VAT (e.g. small entrepreneurs with an annual turnover of less than 55,000 euros, Section 6 (1) item 27 Austrian Value Added Tax Act 1994 (UStG 1994)).
- where claiming flat-rate input VAT, unless the flat-rate input VAT is claimed pursuant to Section 14 (1) item 1 Austrian Value Added Tax Act 1998 (UStG 1994) and at the same time the flat-rate scheme is applied pursuant to Section 17 (1- 3) Austrian Income Tax Act 1988 (EStG 1988) (code **9230**).

Incidental charges for value added tax, such as late payment surcharges and interest on deferral, remain deductible as operating expenses even with the net method.

If the input VAT is deductible, assets must be presented in the asset list at net value (Section 7 (3)). If the input VAT is not deductible, it should be treated as part of the cost of acquisition (production). Operating expenses constitute only the net amounts spent; the value added tax for current assets must not be included. If the value added tax does not have a pass-through character (e.g. in connection with cars), it is to be deducted as an operating expense when it is spent. All income and expenditure items resulting from offsetting of value added tax with the tax office are not taken into account: refunds of value added tax are not operating revenues, and payments made to the tax office are not operating expenses. As with the gross system, transfers to private assets are to be presented net. It is not necessary to correct the payable for value added tax on self-supply contained therein.

**16.5 Turnovers** are the typical proceeds from the customary business activities of an entrepreneur in sale and transfer of use of products and goods as well as from services. In addition, this in particular includes revenues from sale of scrap, waste products, raw materials and supplies typical to the business that are no longer required and investment income from joint ventures (e.g. construction industry). Rental and property lease income, licences and commissions should only be recorded here if they are customary to the business. If the proceeds are occasional and small in volume, they are classified under code **9090**.

**16.6 Contra-revenue accounts** in particular are customer discounts, sales commissions, quantity discounts, bonuses, loyalty bonuses, and refunds for returned goods and defects.

**17 Code 9050: Yields/operating revenues for which a notification pursuant to Section 109a Austrian Income Tax Act 1988 (EStG 1988) has been issued, EKR 40 - 44**

In this field, enter the yields/operating revenues to be recorded for the particular assessment for which a notification has been issued pursuant to Section 109a. The separate presentation is derived from Section 4 of the Ordinance of the Federal Law Gazette (BGBl) II No. 417/2001, issued for Section 109a. For information on the notification obligation pursuant to Section 109a Austrian Income Tax Act 1988 (EStG 1988), please refer to margin notes 8300 et seq. of the Austrian Income Tax Guidelines 2000 (EStR 2000) and the "Tax Manual" (which can be found at <https://www.bmf.gv.at/services/publikationen>).

**18 Code 9060: Asset-generated income/value of transfers of fixed assets to private assets, EKR 460-462 before any reversals of 463-465 or 783**

**18.1** Here, **entrepreneurial partnerships using balance sheet accounting** must enter proceeds from disposal of fixed assets (EKR 460 - 462), except for long-term financial assets, before any reversals of EKR 463 - 465 or EKR 783.

**18.2** When **cash-basis accounting** is used, only operating revenues from the disposal (sale, transfer to private assets) of fixed assets are to be entered here.

**18.3** Code **9060** is designated only for entering proceeds from **sale** or **transfer to private assets** of fixed assets. Compensation in insurance claims must be entered under code **9090**.

**18.4 Transfers to private assets** must be recognised at the relevant value of the transfer. The value of withdrawal under company law may differ from the value for taxation purposes. If the value for taxation purposes is not already recorded here, any corrections must be made under point 3.

**19 Code 9070: Internally produced and capitalised assets, EKR 458 - 459**

**19.1** This code is only for use by **balance sheet accountants**. Internally produced and capitalised assets for self-produced fixed assets and for starting and expanding a company must be entered here.

**19.2** In the case of **cash-basis accounting**, fixed assets produced in-house must be recorded with their production costs in list of fixed assets (Section 7 (3)), unless - in the case of low-value assets (Section 13, see code **9130** and margin note 3893 of the Austrian Income Tax Guidelines 2000 (EStR 2000)) - the option of immediate write-off is exercised. The operating expenses for codes **9100** to **9230** must be corrected in line with the costs of production. In the case of depreciable fixed assets, the production costs must be deducted by way of depreciation for wear and tear (AfA, Section 7). This depreciation must be recorded under code **9130**.

**20 Code 9080: Inventory changes, EKR 450 - 457**

**20.1** This code must be filled in **only by partnerships using balance sheet accounting**. These partnerships are required to record changes in inventories of finished goods and work in progress as well as services not yet billable. Increases in inventory must be presented without a sign, while decreases in inventory must be presented with a negative sign.

**20.2** **Not** to be recorded here are changes in value due to unusual depreciation (cf. Section 231 (2) item 7 letter b of the Austrian Commercial Code (UGB) that are to be recorded under code **9140**) and changes in inventories of an extraordinary nature (cf. Section 233 of the Austrian Commercial Code (UGB), that are to be recorded under code **9090** as "extraordinary income" or under code **9230** as "extraordinary expenses").

**20.3 Cash-basis accountants** are not required to record inventory changes.

**21 Code 9090: Other income/operating revenues (including financial gains)**

**21.1 Entrepreneurial partnerships using balance sheet accounting** must enter here the total of all income generated during the business year with the exception

of income to be recorded under codes **9040** bis **9080**. This includes, in particular, gains from write-up of fixed assets (EKR 466 - 467, 820), income from reversal of provisions (EKR 470 - 479), ordinary operating income (EKR 480 - 499) and all financial income (EKR 8). Ordinary operating income (EKR 480 - 499) include all income not posted in account groups 40 - 47, such as, in particular, income from transactions that may not be posted as sales revenue, payments received on receivables previously written off, debt discounts, income from reversal of bad debt allowances, exchange rate gains on foreign currency transactions, income from facilities provided for employees, income from transactions and services not customary for the business (e.g. revenues from letting of residential apartments and from other leasing and licensing agreements not customary to the business), expenditures and settlement of damages, write-off of unpaid and statute-barred liabilities and subsidies from public funds, provided they are not to be deducted from the cost of acquisition or costs of production.

**21.2 Cash-basis accountants** must enter here the total of all operating revenues (with payments received during the calendar year) with the exception of operating revenues that must be entered under codes **9040**, **9050** and **9060**. For treatment of value added tax, see notes 16.3 and 16.4.

**21.3 Domestic investment income** subject to final taxation and foreign investment income taxable at a special rate must be entered under code **9090**. The same applies to realised value gains in business capital assets and income from derivatives to which the special tax rate applies.

**21.4 Capital gains/losses relating to business premises**, which are taxable at the special rate, must be included in the profit/loss to be apportioned for the entrepreneurial partnership. In such cases, Supplement E 6a-1 must additionally be used.

## **22 Code 9093: VAT collected using the VAT gross system**

This code may only be filled for cash-basis accounting applying the VAT gross system if they use **net presentation** of operating revenues/expenses with a separate line for VAT (see note 16.3). In this case, the operating revenues and operating expenses are presented net (without VAT) under the relevant codes. The VAT received is entered under code **9093**, while the (deductible or non-deductible) VAT paid out is entered under code **9233**. The VAT payable is entered in code **9230**, and any VAT refund is entered in code **9090**.

## **Re "Expenditures/operating expenses"**

### **23 Code 9100: Goods, raw materials, auxiliary materials EKR 500 - 539, 580**

**23.1 Entrepreneurial partnerships using balance sheet accounting** must record the following here:

- cost of goods sold (EKR 500 - 509),
- consumption of raw materials (EKR 510 - 519),
- consumption of purchased finished and individual parts (EKR 520 - 529),
- consumption of auxiliary materials (EKR 530 - 539),
- after deducting cash discounts on cost of materials (EKR 580).

**23.2 For cash-basis accounting**, the following must be entered here:

- expenses for purchase of goods,
- expenses for raw materials,

- expenses for finished and individual parts,
- expenses for auxiliary materials,
- after deduction for cash discounts on purchasing of materials.

These expenses may be deducted separately within the framework of the statutory flat-rate basic deduction (Section 17 (1)).

Insofar as the ban on deducting current assets pursuant to Section 4 (3) applies, no entry may be made.

**23.3 Consumption (purchase) of material supplies (EKR 540-549), consumption (purchase) of tools and other production aids (EKR 550-559) and consumption (purchase) of combustibles and fuels, energy and water (EKR 560-569) must be recorded under code 9230.**

## **24 Code 9110: Outsourced (external) personnel, EKR 570 - 579, 581, 750 - 753**

**24.1 Entrepreneurial partnerships using balance sheet accounting** must enter here the expenditures recorded in the "Other purchased services for production" accounts (EKR 570 - 579, see note 23.3) after deducting cash discounts on other related production services (EKR 81) and "Expenditures for outsourced personnel" (EKR 750 - 753).

**24.2** When using **cash-basis accounting**, expenses for external personnel must be entered here. Notes 24.3 and 24.4 apply accordingly. Do not enter the expenses for external personnel that must be "capitalised" (included in the list of fixed assets pursuant to Section 7 (3)) as production costs for fixed assets.

**24.3 "Other purchased manufacturing services"** (for balance sheet accountants: EKR 570 - 579) are all other purchased manufacturing services such as in particular expenditures/expenses for material processing, material finishing, other processing services and outsourcing of personnel in manufacturing.

**24.4 "Expenditures for outsourced personnel"** (for balance sheet accountants: EKR 750 - 753) includes expenses in account 750 EKR. Commissions to third parties (for balance sheet accountants: EKR 754 - 757) must be recorded under code **9190**.

## **25 Code 9120: Personnel expenses ("in-house staff"), EKR 60 - 68**

**25.1 Entrepreneurial partnerships using balance sheet accounting and cash-basis accounting** must record expenses/expenses for wages and salaries as well as non-wage labour costs here, namely:

- wages (for balance sheet accountants: EKR 600-619, see note 25.2),
- salaries (for balance sheet accountants: EKR 620-639, see note 25.3),
- expenditures for severance payments (for balance sheet accountants: EKR 640-644, see note 25.4),
- expenditures for retirement benefits (for balance sheet accountants: EKR 645-649, see note 25.4),
- statutory social security expenditures for employees (for balance sheet accountants: EKR 650-655, see note 25.5),
- statutory social security costs for employees (for balance sheet accountants: EKR 656-659, see note 25.5),
- salary-related taxes and compulsory contributions (for balance sheet accountants: EKR 660-665, see note 25.6),
- salary-related taxes and compulsory contributions (for balance sheet accountants: EKR 666-669, see note 25.6), and
- other social security expenditures (for balance sheet accountants: EKR 670-689, see note 25.7).

**25.2** The items to be recorded here as **"wages"** (for balance sheet accountants: EKR 600-619) consist of basic wages (manufacturing wages, auxiliary wages, remuneration for temporarily employed workers) and additional benefits for wage earners (overtime pay, holiday pay, shift allowances, hardship allowances, bonuses and commissions) and non-performance wages (holiday wages, public holiday leave, sick pay, other wages for absences, leave and Christmas bonuses and other extra payments). Wage tax and social security contributions on wages that in exceptional cases are not withheld from the employee's wages/salaries (e.g. retroactive claims triggered by wage tax audits that cannot be passed on to the employee) must also be recorded here. This includes contributions to an employee provident fund.

**25.3** The items to be recorded here as **"salaries"** (for balance sheet accountants: EKR 620 - 639) consist of basic salaries, overtime bonuses, holiday pay, bonuses and commissions, 13th and 14th month salary payments and other special payments. The same applies to employee anniversary expenses, voluntary travel and meal allowances and benefits in kind. Wage tax on salaries that in exceptional cases is not withheld from employees (e.g. retroactive claims triggered by wage tax audits that cannot be passed on to the employee) must also be recorded here. This likewise includes contributions to an employee provident fund. Wages and salaries do not include reimbursement of travel expenses and daily and overnight accommodation allowances that are paid to compensate for expenses incurred by the employee on business trips. These items must be recorded under code **9160**.

**25.4** The items to be recorded here as **"expenditures for severance payments"** (for balance sheet accountants: EKR 640 - 644) or **"expenditures for retirement benefits"** (for balance sheet accountants: EKR 645 - 649) consist of both severance payments and pension payments as well as the change in severance payment provisions and - only for balance sheet accountants - the change in pension provisions; the same applies to contributions to pension funds and other contributions to employee pension schemes.

**25.5** The items to be recorded here as **"statutory social security expenditures for workers"** (for balance sheet accountants: EKR 650 - 655) and **"statutory social security expenditures for employees"** (for balance sheet accountants: EKR 656 - 659) comprise all social expenditures (employer's share) to be paid to the social security agency including the contribution under the Continued Pay Act and the contribution to housing subsidies.

**25.6** The items to be recorded here as **"wage-related taxes and compulsory contributions"** (for balance sheet accountants: EKR 660 - 665) and **"salary-related taxes and compulsory contributions"** (for balance sheet accountants: EKR 666 - 669) comprise all other levies and compulsory contributions assessed on the basis of remuneration. These items primarily include the employer's contribution to the equalisation fund for family allowances, the surcharge on the employer's contribution, the municipal tax and the Vienna employer's tax (underground railway system tax).

If the municipal tax and the Vienna employer's tax (underground railway system tax) are recorded by entrepreneurial partnerships using balance sheet accounting under "other taxes" (EKR 710 - 719), they must be entered under code **9230**.

**25.7** The items to be recorded here as **"other social security expenditures"** (for balance sheet accountants: EKR 670 - 689) are discretionary social expenditures that are not attributable to the individual employee as a component

of remuneration, such as contributions to the works council fund and to support funds (not pension funds), expenditures for company outings, for Christmas gifts to employees and for various company events for the benefit of the workforce. Expenses incurred by facilities provided for employees must be recorded under the designated code for the corresponding expense types (e.g. for material consumption by the company kitchen under code **9100**, and for maintenance of kitchen premises under code **9150**).

**26 Code 9130: Depreciation of fixed assets (e.g. depreciation, low-value assets) EKR 700 - 708, unless such assets must be recorded under codes 9134 and/or 9135**

**26.1 Balance sheet accountants** are required to enter here (scheduled and unscheduled) depreciation on fixed assets, that is not to be recorded under codes **9134** and/or **9135**, except for long-term financial assets (EKR 701 - 708). Furthermore, depreciation on capitalised expenditures for the start-up and expansion of a business (EKR 700) must also be entered here. Both loss allocation provisions and liquidation of a valuation reserve (e.g. low-value assets, investment grants, transfer of Section 12 reserves to the valuation reserve) must be recognised under code **9130**.

**26.2 In cash-basis accounting**, the items to be entered here consist of depreciation on fixed assets (Sections 7, 8) including early and accelerated depreciation and immediately deducted low-value fixed assets (Section 13). Low-value assets are those whose acquisition or production costs do not exceed 1,000 euros on a case by case basis. They can either be deducted by depreciation for wear and tear (AfA) or written off immediately (under a right to choose).

**27 Degressive depreciation for wear and tear (Section 7 (1a))**

Depreciation for wear and tear can also be made in declining annual amounts according to an unchangeable percentage of a maximum of 30% (**degressive depreciation for wear and tear**). This percentage is to be applied to the relevant book value (residual book value) and results in an amount of depreciation for wear and tear (AfA) specific to the year. Certain assets (e.g. buildings, non-emission-free motor vehicles, used assets, plant and equipment that serve to extract, transport or store fossil fuels and plant and equipment that use fossil fuels directly, see Section 7 (1a) item 1) are exempt from degressive depreciation for wear and tear (AfA). Any corrections must be made under code **9268**.

**28 Accelerated building depreciation (Section 8 (1a))**

In the absence of documentary evidence of useful economic life, the depreciation for wear and tear for **buildings** purchased or developed after 30/06/2020 is:

- In the year recognised for the first time, a maximum of **7.5%**. In departure from this, depreciation for wear and tear in buildings used for residential purposes is set to a maximum of **4.5%**.
- In the following year, the depreciation is a maximum of **5%** and for buildings used for residential purposes, a maximum of **3%**.

The rule concerning half-year depreciation for wear and tear (AfA) does not apply. If extension of accelerated depreciation is used for residential buildings completed between 2025 and 2027 (Section 124b item 451 Austrian Income Tax Act 1988 (EStG 1988)), the depreciation for wear and tear (AfA) must also be entered in this field. Any corrections must be made under code **9269**.

## **29 Code 9140: Depreciation on current assets, insofar as they exceed the usual depreciation of the enterprise – EKR 709 – and value adjustments for receivables**

This code must be filled in **only** by **entrepreneurial partnerships using balance sheet accounting**. Here, these partnerships must enter the depreciation of current assets - both for accounting pursuant to Section 5 and accounting pursuant to Section 4 (1) - , insofar as this exceeds the usual depreciation in the company (EKR 709, Section 231 (2) item 7 of the Austrian Commercial Code (UGB)). Loss allocation provisions from value adjustments for receivables (EKR 208, 209, 213, 214, 218, 219, 223, 224, 228, 229, 248, 249) must also be entered here. Reversals must be entered under code **9090**. Regarding corrections to entries, see code **9250**.

## **30 Code 9142: Loss allocation provisions/reversal of flat-rate value adjustments to receivables.**

Pursuant to Section 6 (2) letter a of the Austrian Income Tax Act 1988 (EStG 1988), a flat-rate valuation adjustment of receivables is permissible for business years commencing after 31/12/2020, subject to the conditions of Section 201 (2) item 7 of the Austrian Commercial Code (UGB). Accordingly, the **determination** of a value, which is only possible on the basis of estimates, **must** be based on prudent judgement (principle of reliable estimates). If there are statistically determinable empirical values from similar circumstances, these values must be taken into account in the prudent judgement pursuant to Section 201 (2) item 7 of the Austrian Commercial Code (UGB) (e.g. statistically determined probabilities of default), i.e. they must be included in the estimate in this case.

## **31 Code 9150: Maintenance (upkeep expenditure) for buildings, EKR 72**

**31.1** For **entrepreneurial partnerships using balance sheet accounting** and for **cash-basis accounting**, expenses/expenditures for maintenance related to these **buildings** must be entered here (see note 31.2). Maintenance of other assets and expenditures for cleaning by third parties, disposal and lighting must not be entered here.

**31.2 "Maintenance"** encompasses all expenditures (expenses) that serve to maintain the utility of a building (costs of upkeeps) and which do not lead to a change in the nature of the building (in this case, the costs of production would have to be capitalised). Expenditures for upkeep must be entered here without distinction between "maintenance expenditures in the narrower sense" and "refurbishment expenditures" (cf. regarding the terms in Section 4 (7)). Refurbishment expenditures pursuant to Section 4 (7) must be recorded in the one-fifteenth amount for the business year. (see margin note 1398 and margin note 6460 et seq. of the Austrian Income Tax Guidelines 2000 (EStR 2000)).

## **32 Code 9160: Travel and commuting expenses including mileage allowance and daily allowances (but not actual motor vehicle expenses), EKR 734- 737**

**32.1** For **balance sheet accounting** and **cash-basis accounting**, travel and commuting expenses (for balance sheet accounting: EKR 734 - 735), per-diem and accommodation allowances (for balance sheet accounting: EKR 736 - 737) and mileage allowance (for cars: 0.42 euros per kilometre). Actual motor vehicle expenses must be entered under code **9170**.

**32.2** Travel and commuting expenses (for balance sheet accountants: EKR 734 - 735) in addition to the expenditures paid directly to the travel company, these expenditures include travel expenses (per-diem and accommodation allowances) and reimbursement of travel expenses, insofar as they represent compensation for actual expenses (e.g. mileage allowance).

**32.3** Travel expenses include the flat-rate additional meal expenses (per-diem: 30 euros per day, but if less than 12 hours, 2.50 euros for each hour started if the journey lasts more than 3 hours) as well as the costs for overnight stays, which are either a flat rate (17 euros per overnight stay including the costs for breakfast) or in the amount to be substantiated (Section 4 (5) in conjunction with Section 26 item 4).

**32.4** When using the basic tax-free allowance, travel expenses are deductible separately, provided they are offset by reimbursement of an equal amount.

## **33 Code 9165: Flat rate of 50% of the costs of weekly, monthly or annual passes for public transport**

If it can be credibly demonstrated that the card was also used for business travel during the business year, 50% of the expenses for a non-transferable weekly, monthly or annual ticket for public transport may be recognised as an operating expense.

## **34 Code 9170: Motor vehicle expenses (without depreciation for wear and tear (AfA), leasing and mileage allowance), EKR 732 - 733**

For **balance sheet accounting** and **cash-basis accounting**, the **actual** motor vehicle expenses must be entered here (for balance sheet accounting: EKR 732-733). If the motor vehicle expenses are claimed via the mileage allowance (see margin note 1612 et. seq. of the Austrian Income Tax Guidelines 2000) (EStR 2000), this must be entered under code **9160**. Actual motor vehicle costs include maintenance expenses relating to the vehicle, fuel, repair and service costs, insurance premiums and taxes. These expenses do not include depreciation for wear and tear (AfA) (to be entered under code **9130**) and leasing expenditures/expenses (to be entered under code **9180**).

## **35 Code 9180: Rental and property lease expenses, other leasing, EKR 740 - 743, 744 - 747**

**Balance sheet accountants** and **cash-basis accountants** must record here the expenditures or expenses for rentals and property leasing (for balance sheet accountants: EKR 740 - 743) and other leasing (for balance sheet accountants: EKR 744 - 747). Expenditures/expenses for heating, lighting and the cleaning of rented premises in addition to building service costs must not be entered here. Please note that, pursuant to Section 4 (6), advance payments of rental costs from cash-basis accounting must be apportioned evenly over the period of the advance payment if they do not only relate to the current and the following calendar year (cf. margin notes 1381 et seq. Austrian Income Tax Guidelines 2000 (EStR 2000)). In such cases, the annual amount due for the business year must be recorded here.

## **36 Code 9190: Commissions to third parties, licence fees, EKR 754 - 757, 748 - 749**

**Balance sheet accountants** and **cash-basis accountants** must record here the expenditures/expenses for commissions to third parties (for balance sheet accountants: EKR 754 - 757) and licence fees (EKR 748 - 749).

### **37 Code 9200: Advertising, marketing promotion and entertainment expenses, donations, tips (EKR 765 - 769)**

**Balance sheet accountants** and **cash-basis accountants** must record expenditures/expenses for commissions to third parties here (for balance sheet accountants: EKR 765 - 768) and donations and tips (for balance sheet accountants: EKR 769). If the corporate law approach or the entry in this code does not correspond to the value permitted for tax purposes (e.g. Section 20 (1) item 3, see margin note 4808 Austrian Income Tax Guidelines 2000 (EStR 2000)), the corrections must be entered under code **9280**.

### **38 Code 9210: Book value of disposed assets, EKR 782**

**Balance sheet accountants** and **cash basis accountants** must enter here the sum of the book values of assets disposed of in the business year, with the exception of long-term financial assets (for balance sheet accountants, EKR 782). Unscheduled or extraordinary depreciation (e.g. as a result of the destruction of an asset, cf. Section 8 (4)) must be entered under code **9130**.

### **39 Code 9220: Interest and similar expenses, EKR 828 - 834**

**39.1** For **cash-basis accounting**, the following must be entered here: Interest on business-related bank credit, loans and mortgages, payment and commitment charges for a loan or credit line, overdraft fees, demurrage charges, write-offs on capitalised discounts (disagio), debt issuance costs and discount on bills of exchange, insofar as these are not balanced by offsettable discount income, as well as separately invoiced interest on supplier credit. If a discount (disagio) was not capitalised (Section 198 (7) of the Austrian Commercial Code (UGB)) or if debt issuance costs were immediately written off under company law, the procedure (correction) corresponding to Section 6 item 3 must be performed under code **9290**.

**39.2** When using **cash-basis accounting**, expenses for the above-mentioned expenditures must be entered here. Please note that, pursuant to Section 4 (6), advance payments of borrowing costs must be apportioned evenly over the period of the advanced payment if they do not relate only to the current and the following calendar year (cf. margin notes 1381 et seq. Austrian Income Tax Guidelines 2000 (EStR 2000)). In such cases, the annual amount due for the business year must be recorded here. A discount (disagio) is subject to Section 4 (6) in the case of cash-basis accountants. If only debt issuance costs that exceed the threshold of 900 euros are incurred (margin note 2464 Austrian Income Tax Guidelines 2000), Section 6 item 3 must also be applied for cash-based accounting (mandatory apportionment over the term of the loan, margin note 2463 Austrian Income Tax Guidelines 2000 (EStR 2000)). In such cases, the annual amount due for the business year must be recorded here.

**40** Enter here the profit shares of genuine silent partners to be recognised as operating expenses, which must be recorded by the recipient as income from capital assets (code **856** of Supplement E 1kv) or – if it is a business-related investing party – it must be recorded under code **9090**.

### **41 Codes 9243, 9244, 9245, 9246, 9206, 9207, 9208 and 9209 (company donations)**

Enter here donations made from business assets to the donation beneficiaries mentioned in the relevant codes.

**42** Contributions for endowments of a charitable foundation must be entered in code **9261** (Section 4b).

**43** Discretionary contributions made to a foundation pursuant to Section 4b that were made after 31/12/2023 and could not be recognised in the year of the contribution may be recognised within the subsequent nine years within the scope of **contribution carry-forward** (Section 4b (1) item 3, see also Austrian Income Tax Guidelines 2000 (EStR 2000), margin note 1353).

**44** Under code **9262**, enter contributions to the Innovation Foundation for Education and its subsidiary foundations (Section 4 c).

**45** Discretionary contributions made to a foundation pursuant to Section 4c that were made after 31/12/2023 and could not be recognised in the year of the contribution may be recognised within the subsequent nine years within the scope of **contribution carry-forward** (Section 4c (1) item 3, see also Austrian Income Tax Guidelines 2000 (EStR 2000), margin note 1367).

### **46 Code 9230: Miscellaneous expenditures/operating expenses (excluding flat-rate operating expenses), changes in capital - balance**

**46.1** In case of **balance sheet accounting** and **cash-basis accounting**, enter here the sum of all operating expenses incurred or paid in the calendar year with the exception of those that must be recorded under the special codes. In the case of a **partial flat-rate scheme**, the flat-rate deduction applied for operating expenses must not be recorded here, but under code **9259**.

### **47 Code 9233: Paid VAT for supplies and services under the VAT gross system**

See explanations for note 22.

### **48 Code 9259: Flat-rate operating expenses**

If a flat-rate scheme is used, the flat-rate amount for operating expenses must be entered here. **No** entry is required here in cases where an **agriculture and forestry flat-rate scheme** is used. In such cases, Supplement E 1c (sole proprietor) must be used. Similarly, **no** entry needs to be made here when the **commercial full flat rate** for food retail and general goods trade is claimed; in this case, only point 6 of the return needs to be completed.

Cash-basis accountants that avail the option of the **flat-rate scheme** referred to in Section 17 (1) must enter here the flat-rate operating expenses of 6% or 13.5%.

The basic tax-free deduction is applicable if the turnover in the previous year was not more than 320,000 euros. When using the flat-rate scheme, operating revenues are recorded in full, but operating expenses are nevertheless deducted at a flat rate of 13.5% of turnover. For the following earnings, the flat rate is only 6% of revenues: Freelance or commercial income from commercial or technical advice, an occupational activity within the meaning of Section 22 item 2 (e.g. GmbH managing directors and supervisory board members) as well as income from a writing, lecturing, scientific, teaching or educational profession.

Apart from the flat-rate deduction, only the following may be deducted:

- expenses for the receipt of goods, raw materials, semi-finished products, auxiliary materials and ingredients (to be entered under code **9100**),
- expenses for wages (including non-wage labour costs), to be entered under code **9120**),

- expenses for third-party wages, insofar as these flow directly into services that form the business purpose of the enterprise (e.g. contract manufacturing of goods to be entered under code **9110**),
- social security contributions (to be recorded under code **9225**) and
- contributions to self-employed pension schemes (to be recorded under code **9225**),
- the workspace flat-rate deduction (must be recorded in Supplement **E 6a-1**)
- 50% of the cost of a weekly, monthly or annual ticket for public transport (to be recorded in code **9165**)
- travel and commuting expenses, insofar as they are offset by a reimbursement of costs in an equal amount (code **9160**); these travel and commuting expenses reduce the relevant turnover for assessment of the flat-rate deduction.

All other operating expenses are covered by the operating expenses flat rate. This applies, for example, to depreciation (Sections 7, 8 and 13), residual book values of disposed assets, borrowing costs, rentals and property leasing, post and telephone, consumables (combustibles and fuels), energy and water, advertising, legal and consulting costs, commissions (except quantity-dependent purchase commissions - see margin note 4117 Austrian Income Tax Guidelines 2000 (EStR 2000)), office expenses, premiums for business insurance, business taxes, maintenance, cleaning by third parties, vehicle costs, travel expenses (including daily and accommodation allowances) or tips.

If the **VAT net system** is selected (see note 16.4 above), neither is the VAT owed on the basis of supply of goods or other services nor the VAT paid to other entrepreneurs (input VAT) nor a VAT payable to be declared. The operating expenses flat rate is to be valued as a net amount. Irrespective of whether an input VAT flat rate has been selected for the VAT in accordance with Section 14 (1) item 1 Austrian Value Added Tax Act 1994 (UStG 1994) or whether the actual input taxes have been applied, no VAT may be calculated from the flat-rate operating expenses deduction.

If the **VAT gross system** is selected (see note 16.3), both the VAT owed on the basis of the supply of goods or other services (under code **9040** or **9050** or – in the case of VAT presentation – under code **9093**) and the input VAT paid to other entrepreneurs (under code **9100** and with regard to third-party services if applicable, under code **9110** or – in the case of VAT net presentation – under code **9233**) must be recognised in the assessment. A VAT payable is entered in code **9230**, and any VAT refund is entered in code **9090**. Since the operating expenses flat-rate deduction must be treated as a net amount,

- the input VAT attributable to operating expenses calculated by an income-based "flat-rate" for the purpose of capital yields tax,
- in the case of claiming the flat-rate input tax scheme according to Section 14 (1) item 1 of the Austrian Value Added Tax Act 1994 (UStG 1994), the flat-rate input tax deduction, and
- the input tax attributable to asset acquisitions

must be presented separately as operating expenses under code **9230**.

When claiming the sportspersons flat-rate scheme, the earnings that may not be recorded (67%) must not be separated out via code **9259**. See also note 10.

## 49 Profit/loss (unless Supplement E 6a must be attached)

If **no Supplement E 6a-1** is required, the assessed profit/loss - taking into account any changes pursuant to point 4.3 where necessary - must be transferred to Form E 6 under point 1b, 2b or 3b.

If a **Supplement E 6a-1** is required, the value for assessing the taxable profit/loss in Supplement E 6a-1 must be apportioned to the investing parties in the line for "Share of profit/loss before recognition of the following codes" (line before code **9915**); the apportionment may **deviate from the noted participation ratio**.

## 50 Corrections and additions to the current profit/loss (tax-related adjustments)

**50.1** For **balance sheet accounting** pursuant to **Section 5**, any necessary corrections and additions to the corporate law approaches to assess the correct taxable profit and other changes must be made here.

**Special operating income and expenses must not be recognised here, but instead in Supplement E 6a-1.**

Please note that distributions of revenue and expenses (income and expenditures) otherwise made that are not to be recorded as special operating income or special operating expenses in Supplement E 6a-1 may **not** be entered under code **9290**. **Distribution otherwise made must be entered solely in the field for "Profit/loss before accounting for the following codes" in Supplement E 6a-1.**

**50.2** In the case of **balance sheet accounting** pursuant to **Section 4 (1)** and cash-basis accounting, corrections necessary to assess the correct profit for tax purposes must be made here if the entries made in "4.2 Assessment of profit" do not correspond to the values relevant for tax purposes.

**Special operating revenues and expenses may not be recognised here, but in Supplement E 6a-1.**

Please note that distributions of revenue and expenses (income and expenditures) otherwise made that are not to be recorded as special operating income or special operating expenses in Supplement E 6a-1 may **not** be entered under code **9290**. **Distribution otherwise made must be entered solely in the field for "Profit/loss before accounting for the following codes" in Supplement E 6a-1.**

## 51 Code 9276: Investment tax-exempt allowance (10%)

When purchasing or producing depreciable fixed assets, an **investment tax-exempt allowance** (Section 11) can be claimed to reduce profits (see also margin note 3801 et seq. Austrian Income Tax Guidelines 2000 (EStR 2000)). In general, this allowance amounts to **10%** and for assets that can be classified eco-responsible, it is **15%**. The investment tax-exempt allowance (IFB) can only be claimed for a total of a maximum of 1 million euros in acquisition or production costs in the business year.

Assets that have a normal useful economic life of at least four years and are recorded in the books of domestic enterprises or domestic places of business are eligible for this allowance. Certain assets are excluded, e.g. assets that are used to cover an investment-related tax-free profit allowance, buildings and used or low-value assets.

The **10%** investment tax-exempt allowance (IFB) for acquisition or production costs must be entered under code **9276**.

## 52 Code 9277: Investment tax-exempt allowance (15%)

Enter under code **9277** the investment tax-exempt allowance (IFB) of **15%** for acquisition or production costs of assets that can be classified eco-responsible. The content and procedural requirements for this are stipulated in the

Ordinance concerning the Eco-Responsible Tax-Exempt Investment Allowance (Öko-IFB-Verordnung), Federal Law Gazette (BGBl) II No. 155/2023 (see also margin note 3808 et seq. Austrian Income Tax Guidelines 2000 (EStR 2000)).

**53** Provided that acquisition or production costs are charged to the period from **01/11/2025 to 31/12/2026**, a **temporary increased investment tax-exempt allowance** may be claimed (Section 124b item 480). If the acquisition or production is not completed until after 31/12/2026, the increase is only applicable if the investment tax-exempt allowance for the partial amounts capitalised during the eligible period is claimed in accordance with Section 11 (4), second sentence. The increased investment tax-exempt allowance amounts to 20%, provided that the investments do not relate to assets that can be classified eco-responsible (see note **54**).

In the case of long-term investments that began before the eligible period or extend beyond it, a distinction must be made; for more information on this and on the possibility of allocating investments to months preceding the business year or the (preferential) calendar year 2026, see margin note 3830 et. seq. Austrian Income Tax Guidelines 2000 (EStR 2000). In the case of accrual or allocation, only the investment tax-exempt allowance recognised at a rate of 20% may be entered under code **9344**.

**54** The increased investment tax-exempt allowance amounts to **22%**, provided that the investments are made in assets that can be classified eco-responsible. The content and procedural requirements for this are stipulated in the Ordinance concerning the Eco-Responsible Tax-Exempt Investment Allowance (Öko-IFB-Verordnung), Federal Law Gazette (BGBl) II No. 155/2023 (see also margin note 3808 et seq. Austrian Income Tax Guidelines 2000 (EStR 2000)). The general interpretation of the temporary increase in the investment tax-exempt allowance in note **53** applies accordingly.

#### **55 Code 9337: Retroactively taxable investment tax-exempt allowance**

If assets for which an investment tax-exempt allowance has been claimed are removed from the business assets before the end of four years or if they are transferred abroad, the investment tax-exempt allowance must be retroactively taxed in the year of removal or transfer and recognised as an increase in income in code 9337. Retroactive taxation does not apply in the event of removal from business assets due to force majeure or official intervention or if the asset is transferred to a member state of the European Union or a member state of the EEA in return for payment.

#### **56 Code 9338: Eco-surcharge:**

In the case of buildings used for residential purposes, an eco-surcharge of 15% can be recognised as an operating expense for expenditures incurred in the assessment year for thermal energy renovations or for the replacement of a fossil fuel-based heating system with a climate-friendly heating system.

#### **57 Code 9240: Corrections for depreciation of fixed assets (e.g. depreciation for wear and tear (AfA), low-value assets, EKR 700 - 708) - code 9130**

In particular, enter here the corrections made as required by Section 8 (e.g. mandatory minimum useful economic life for buildings and passenger vehicles under tax law) and - with regard to depreciation for wear and tear (AfA) - as required by Section 20 (1) item 2 letter b ("Luxury tangent" for motor

vehicles). Corrections in depreciation for wear and tear (AfA) related to accelerated building depreciation must be entered under code 9269. Corrections in depreciation for wear and tear (AfA) related to motor vehicles must be entered under code 9260. Additions to a leasing asset pursuant to Section 8 (6) item 2) must be entered under code **9270**.

#### **58 Code 9273: Value adjustment of one-fifth amounts ("legacy receivables")**

For business years that start before 1 January 2021, flat-rate bad debt allowances may also be made; the amounts of the value adjustment to be recognised must be distributed evenly over the business year commencing after 31 December 2020 and the subsequent four business years.

#### **59 Code 9274: Provision for one-fifth amount ("legacy amounts")**

For business years that start before 1 January 2021, flat-rate provisions may also be formed; the reserve amounts to be taken into account must be distributed evenly over the business year beginning after 31 December 2020 and the following four business years.

#### **60 Code 9260: Corrections to motor vehicle expenses**

All corrections made with regard to motor vehicles are to be entered here, in particular depreciation for wear and tear (AfA) corrections resulting from application of the useful economic life of eight years under tax law, corrections resulting from application of what are referred to as "luxury tangents" for motor vehicles and corrections that ensue from recognition of a leasing asset.

#### **61 Code 9270: Corrections to rental and property lease expenses, other leasing (EKR 740-743, 744-747) – code 9180**

Any corrections arising from private use of rented/leased property or other leased assets must be entered here. Corrections in relation to motor vehicles (additions to a leasing asset in accordance with Section 8 (6) item 2) must be entered under code **9260**.

#### **62 Code 9280: Corrections to advertising, marketing promotion and representation expenses, donations, tips (EKR 765 - 769) - code 9200**

In particular, corrections ensuing from Section 20 (1) item 3 (cf. margin note 4808 et seq. Austrian Income Tax Guidelines 2000) must be entered here.

#### **63 Code 9257: Corrections regarding remuneration for labour and processing services**

Section 20 (1) items 7 and 8 stipulate that wages, certain remuneration for transfer of personnel to a new entity, pensions, pension payments upon retirement and voluntary severance payments are no longer fully deductible. If the deduction restriction applies, enter under code **9257** the non-deductible amount to correct the value in code **9120** or **9110**.

**64** As a general rule, income from realised value appreciation in the course of business of capital assets, derivatives and realised value appreciation of cryptocurrencies is taxable at the special tax rate, unless the investment party in Form E 1 exercises the standard taxation option referred to in point 7.1. Section 6 item 2 letter c provides for an offsetting in the event of a coincidence of capital gains and capital losses. A loss overhang may only be compensated to 55% of the other operating income. Codes **9305** (see note 65) and **9289** (see note 66) are used to implement this taxation sequence.

**65** Enter under code **9305** any corrections that may ensue from the proper assessment of capital gains/losses that affect business capital assets in view of the special tax rate that must be applied to these assets. This may be necessary, for example, if the capital gains under corporate law recorded in point 4.2 differ from the tax due to differences in the valuation of investment (fair value on the one hand or limitation by acquisition costs pursuant to Section 6 item 5 on the other). The result that may have to be adapted here regarding capital gains/losses is subsequently decisive (see note 66).

**66** Code **9289** is used to correct the corporate law result (potentially corrected using code **9305**) from point 4.2 with regard to the offsetting provision of Section 6 item 2 letter c. According to this, losses from the sale, redemption and other breakdown of assets and derivatives to the income of subject to the special tax rate are to be offset primarily against positive income from realized appreciation in value of such assets and derivatives as well as with write-ups of such assets. A remaining negative overhang may only be compensated up to 55%.

The capital gains and capital losses must be recorded in the pre-columns and from that, the balance is to be formed. If it is negative, only 55% of it may be offset against the other earnings of the business. In this case, 45% of the negative balance must be entered with a **positive** sign under code **9289**. This means that 45% of the loss is added and the result from point 4.2 (possibly corrected using code **9305**) is corrected according to Section 6 item 2 letter c. If the balance of the capital gains and capital losses is positive, it can be taxed in the income tax assessment of the investing parties at the special tax rate or – if the standard taxation option is exercised pursuant to point 7.1 of Form E 1 – at the normal rate. A positive balance may not reduce the income to be apportioned and – if no Supplement E 6a-1 is attached – must be presented in point 5 of this Supplement under code **9045**, otherwise under codes **9763/7763** of Supplement E 6a-1.

### **67 Code 9010: Transition profit/loss**

Enter under code **9010** a **transition profit** or **loss** to be recorded in the relevant assessment resulting from the change in assessment of profits of the entrepreneurial partnership. Transition profits/losses from the sale of a partnership share must **not** be entered here, but only under code **9935** of Supplement E 6a-1. Transition losses that must be apportioned over seven years must not be entered here, but instead under code **9242** (see note 68).

### **68 Code 9242: One-seventh amounts of a transition loss in the current year and/or a previous year**

If a transition profit/transition loss must be recorded for the partnership itself (not for an investing party), the following applies: A transition profit must be entered under code **9010**. A transition loss that is to be recorded in seven annual sums must always be entered under code **9242** with the annual amount attributable to the relevant business year. The seventh part of a loss from a previous year's transition loss must therefore also be recorded under that code. A transition loss must only be entered in full under code **9010** if it is not apportioned over seven years (e.g. sale and/or disposal of a business).

### **69 Code 9290: Other changes – balance**

Other corrections must be entered under code **9290**. In particular, corrections ensuing from Section 9 (5) and Section 14 must be recorded under this code. Special operating revenues and expenses may not be recognised here, but in Supplement E 6a-1. Please note that apportionment of revenues and expenses (income and expenditures) otherwise made that are not to be recorded as special operating revenues or special operating expenses in Supplement E 6a-1 (codes **9915** and **9925**) may **not** be entered under code **9290**. Apportionments otherwise made must be entered exclusively in the "Share in profit/loss" field of Supplement E 6a-1 (see note 7 to E 6a-1).

### **70 Code 9020: Capital gain/loss on sale and/or disposal**

This code is used if the business or a part of the business of **the entrepreneurial partnership** is sold or closed down. In this case, a capital gain or capital loss must be entered in full, regardless of tax benefits. If a **co-entrepreneur** sells or relinquishes his/her share, **only** codes **9930**, **9935** and **9940** of Form E 6a-1 must be filled in.

### **71 Code 9030: Profit/loss to be presented separately**

This code is important for foreign businesses or permanent places of business:

- a. In cases where a profit (assessed according to the provisions of Austrian tax law) is earned from the foreign business/foreign place of business and Austria has **no** right of taxation for this profit (e.g. in the case of double taxation agreements with an exemption method), the tax-exempt profit must also be entered under code **9030** and will thus be presented separately. If Austria is entitled to a progression proviso, the foreign profit must also be entered in Form E 6 under code **440**. In the case of the shareholder, the apportioned profit must be entered in the income tax return (Form E 1) under code **440** in order to assert the progression proviso.
- b. In cases in which a **loss** (assessed according to the provisions of Austrian tax law) is generated by the foreign business/permanent place of business that must be recognised pursuant to Section 2 (8), code **9030** must **not** be filled in. In such cases, the foreign loss, insofar as it is attributable to the shareholder, is also included in the **income tax return** of the shareholder (Form E 1) under code **746**. An entry of the loss under code **9030** (with a negative sign) is only necessary if the foreign loss is not to be offset against domestic earnings (cf. margin note 210 of the Austrian Income Tax Guidelines 2000 (EStR 2000)).
- c. In cases where the earnings from the foreign business/permanent place of business (calculated according to the provisions of Austrian tax law) is **taxable** in Austria (e.g. in the case of double taxation agreements with crediting method), code **9030** must **not** be filled in. The foreign earnings and any foreign tax to be offset must be entered in the apportionment declaration (Form E 6) under codes **395** and **396**. For shareholders, the apportioned foreign earnings and any foreign tax to be offset on an apportioned basis must be entered in the **income tax return** (Form E 1) under codes **395** and **396**.

## Re "Balance sheet items (ONLY for balance sheet accountants pursuant to Sections 4 (1) or 5)"

### **72 Code 9300: Transfers to private assets (less private contributions to assets), EKR 96**

Enter here the total for transfers to private assets recorded in accounts EKR 960 - 969 ("Private and offsetting accounts for sole proprietorships and business partnerships") after deduction of private contributions. If private contributions exceed transfers to private assets, the surplus should be entered with a negative sign.

### **73 Code 9310: Real estate (EKR 020 - 022)**

This field is for entry of the sum of values on accounts in accounts EKR 020 ("agricultural real property"), 021 ("developed real property") and 022 ("equivalent rights"). Accounts EKR 031 - 039 must not be recorded here.

### **74 Code 9320: Buildings on own property (EKR 030, 031)**

Enter here the value in account EKR 030 ("business and commercial buildings on own property") and EKR 031 ("residential and social buildings on own property"). Accounts EKR 032 - 039 must be excluded from the entry. If indirect depreciation is chosen, the acquisition or production costs or apportioned value must be shown in this code; if direct depreciation is chosen, the relevant residual book value must be shown. Once the depreciation method has been selected, it must be retained.

### **75 Code 9330: Long-term financial assets (EKR 08 - 09)**

Enter here the sum of the values in accounts EKR 08 - 09. Specifically, this relates to the following accounts: 080 ("Shares in affiliated companies"), 081 ("Shares in joint ventures"), 082 ("Participations in affiliated [associated] companies"), 083 ("Other investments"), 084 ("Loans to affiliated companies"), 085 ("Loans to investee companies"), 086 ("Other loans"), 087 ("Shares in non-participating corporations"), 088 ("Shares in business partnerships without investment characteristics"), 090 ("Shares in co-operatives without investment characteristics"), 091 ("Shares in investment funds"), 092 - 093 ("Fixed-interest asset-based securities"), 094 - 097 ("Other long-term financial assets, book-entry securities"), 098 ("Prepayments made") and 099 ("Accumulated depreciation").

### **76 Code 9340: Inventories (EKR 100 - 199)**

Enter here the sum of the values in accounts EKR 100 - 199. Specifically, this relates to the following accounts: 100 - 109 ("Indirect procurement costs"), 110 - 119 ("Raw materials"), 120 - 129 ("Related parts"), 130 - 134 ("Excipients"), 135 - 139 ("Consumables"), 140 - 149 ("Work in progress"), 150 - 159 ("Finished products"), 160 - 169 ("Goods"), 170 - 179 ("Services not yet billable"), 180 ("Prepayments made") and 190 - 199 ("Value adjustments").

### **77 Code 9350: Receivables from supply of goods and services (EKR 20 - 21)**

Enter here the sum of the values in accounts EKR 20 - 21. Specifically, this relates to the following accounts: 200 - 207

("Receivables from domestic supply of goods and services"), 208 ("Individual value adjustments to receivables from domestic supply of goods and services"), 209 ("General value adjustment for receivables from domestic supply of goods and services"), 210 - 212 ("Receivables from supply of goods and services within the currency union"), 213 ("Individual value adjustments for receivables from supply of goods and services within the currency union"), 214 ("General value adjustments for receivables from supply of goods and services within the currency union"), 215 - 217 ("Receivables from supply of goods and services to other foreign countries"), 218 ("Individual value adjustments for receivables from supply of goods and services to other foreign countries") and 219 ("General value adjustment for receivables from supply of goods and services to other foreign countries").

### **78 Code 9360: Other provisions (excluding provisions for severance payments, pensions and taxes) EKR 304 - 309**

Enter here the sum of the values in accounts EKR 304 - 309 ("other provisions").

### **79 Code 9363: General provisions for other contingent liabilities**

For business years beginning after 31 December 2020, flat-rate provisions are also permissible for tax purposes subject to the requirements of Section 201 (2) item 7 of the Austrian Commercial Code (UGB).

### **80 Code 9370: Liabilities to credit institutions and financial institutions EKR 311 - 319**

Enter here the sum of the values in accounts EKR 311 - 319. Specifically, this relates to accounts 311 - 317 ("Liabilities to credit institutions") and 318 - 319 ("Liabilities to financial institutions").

### **81 Full flat-rate scheme for food retailers or general merchants**

If earnings are generated under the **commercial complete flat-rate scheme** for grocery retailers/general merchants, the flat-rate assessed profit must be entered under code **9006**. Where applicable, codes **9010** (transition gain/loss), **9242** and **9020** (capital gain/loss) must be completed and the other information provided. The earnings from a flat-rate assessed business must be entered in point 3b of Form E 6. If additional special operating income or expenses and/or sales of shares have been generated under a flat-rate scheme (for business operating in the restaurant and hospitality industry as well as for grocery retailers and general merchants), Supplement E 6a-1 must also be filled in. The result of a sale and/or disposal of an ownership share as referred to in Supplement E 6a-1 must be entered in point 3b of Form E 6. With regard to the procedure for special operating income and expenses, see margin note 4286 Austrian Income Tax Guidelines 2000 (EStR 2000).

### **82 Application pursuant to Section 24 (6)**

In the event of **cessation of business**, upon application, buildings (or parts thereof) transferred to private assets in accordance with Section 24 (6) may be transferred at **fair market value** if one of the cases specified in Section 37 (5) items 1 to 3 applies.

83 Apportionment for assessment of investing parties

Point 8 of the Supplement is intended for certain apportionments concerning the investing parties. Entries must be recorded here for each investing party **only** if **no** Supplement **E 6a-1** is attached. If paper submission cannot be adequately made with the prescribed space for six parties, an additional Supplement E 6a must (exceptionally) be submitted, but with the **remaining parties** listed **only** in point 8.

84 Property transferred to private assets at book value

If a property has been transferred to private assets from the business assets at book value, it must be recognised here with the data provided. In the case of undeveloped land, there is no requirement to enter book value attributable to the building. If more than three properties have been transferred to private assets, please indicate this with the number of transferred properties. When exercising the option pursuant to Section 24 (6), do not make entries for the relevant property here.

85 Supplement E 6a-1 Yes/No

In order to correctly apportion profit/loss determined on a uniform basis, this selection is **mandatory**.

- 1. A Supplement E 6a-1 is **not attached**. For this the following requirements must be met:
  - a. no capitalist business partner (Section 23a) holds a participating interest
  - b. the profit/loss from Supplement E 6a is to be apportioned among the investment parties according to the **noted participation ratio** and
  - c. a tax-free profit allowance is **not** claimed or a tax-free profit allowance or tax-free allowance is **not** retroactively taxable and
  - d. only **one business year** ends in the calendar year and
  - e. there are no capital gains relating to **business premises** subject to taxation at the special tax rate and
  - f. no sale and/or disposal of a share of the business has taken place
  - g. the **small entrepreneur flat-rate scheme** is not used.

In this case, the joint income (codes **310**, **320** or **330** of Form **E 6**) is apportioned among the investing parties according to the noted participation ratio. Please note that

the income is always apportioned according to the **noted participation ratio**, and is therefore independent of the information under point 8 of the form (apportioning of profit/loss for information purposes). **Should there be any changes in the participation ratio, the noted participation ratio must be amended using Form Verf 60 (see also under "Initial entry and updating of investing parties").**

**For example:**  
A, B each have a 30% share and C a 40% share in the ABC partnership under Austrian civil law. The company generates a taxable profit of 20,000 euros, which is to be apportioned among the investing parties according to the noted participation ratio.  
An **apportionment declaration (E 6)** and a **Supplement (E 6a)** must be submitted.  
The result from point 4.3 of Supplement E 6a must be transferred to point 3b and code **330** of the apportionment declaration (E 6). The profit is then apportioned among the parties (according to the noted participation ratio) in accordance with the Apportionment Declaration as follows:

| Investor A<br>30% | Investor B<br>30% | Investor C<br>40% |
|-------------------|-------------------|-------------------|
| 6,000             | 6,000             | 8,000             |

Any entries in point 8 of Supplement E 6a are for information purposes only and will not be taken into account.

- 2. A Supplement **E 6a-1** is **attached** - the income is not divided according to the noted participation ratio, but **according to this Supplement**:  
In the following cases, a Supplement E 6a-1 is required:
  - a. the profit/loss from Supplement E 6a is **not** to be apportioned among the investing parties according to the **noted participation ratio**, or
  - b. a tax-free profit allowance is claimed or a tax-free profit allowance is retroactively taxable, or
  - c. a capitalist co-entrepreneur within the meaning of Section 23a is an investing party, or
  - d. a **second business year** ended in calendar year 2025, or
  - e. profit includes capital gains relating to business premises for which a special tax rate is applicable, or
  - f. a sale and/or disposal of investment share has taken place,
  - g. the **small entrepreneur flat-rate scheme** is used.

## C) Explanatory notes for Supplement E 6a-1

### 1 This Supplement must be completed if

- a capitalist co-entrepreneur within the meaning of Section 23a has a stake in the company, or
- a. the profit/loss from Supplement E 6a is **not** to be apportioned among the investing parties according to the **noted participation ratio** or
- a **tax-free profit allowance** is claimed or a tax-free profit allowance is subject to retroactive taxation or
- a **second business year** ends in the calendar year or
- a capital gain has been generated on **business-related land** subject to the special tax rate or
- a sale of an ownership share has taken place.

In this case, each investing party must first enter the share in the result of the entrepreneurial partnership (current profit/loss, transition profit/loss, gain/loss on sale and/or disposal) as well as any results from a partnership investment held for business purposes in the line before code **9915** (Supplement E 61). Following this, changes in this apportioned result attributable to special operating income, special operating expenses, a tax-free profit allowance, a sale and/or disposal of a partnership share or the addition of a loss by a capitalist co-entrepreneur to carry-forward (Section 23a) must be taken into account. The value determined in this way for each party represents their (his/her) taxable share of the result. The sum of all shares of the result produces the figures for codes **310**, **320** or **330** of Declaration E 6.

**2** Pursuant to Section 23a, losses sustained by a **capitalist co-entrepreneur** may not be offset or carried forward (deferred losses) in the case of natural persons if this will result in or increase a negative capital account for tax accounting purposes. This does not apply if the losses have resulted from an overhang of special operating expenses. A shareholder is to be regarded as a capitalist co-entrepreneur if he or she is not liable or has only limited liability toward third parties and no discernible initiative as a partner takes shape.

**3** If an entrepreneurial partnership (parent company) has a stake in the company in question, (subsidiary company), under the apportionment procedure the carry-forward rule of Section 23a applies to the parent company if **all parties holding a stake** in the parent company are subject to Section 23a. This would be the case, for example, if the parent company has a capitalist interest in the subsidiary and only natural persons have a stake in the parent company. If it is clear that Section 23a does not apply to everyone holding a stake in the parent company because all investing parties are incorporated, Section 23a does not apply. If in regard to the share of results attributable to the parent company, Section 23a cannot be uniformly applied with regard to the shareholders of the parent company for the reason that both natural persons and a corporation are involved, the share of results is not recognised in the apportionment procedure for the subsidiary. See also margin note 6049a Austrian Income Tax Guidelines 2000.

A statement is required as to whether or not Section 23a will be taken into account for a participating co-entrepreneur within the scope of the apportionment procedure (subsidiary company) in question.

### 4 Application pursuant to Section 24 (6)

In the event of **cessation of business**, upon application, buildings (or parts thereof) transferred to private assets in accordance with Section 24 (6) may be transferred at **fair market value** if one of the cases specified in Section 37 (5) items 1 to 3 applies.

### 5 Properties comprising special operating assets transferred to private assets at book value

If a property has been transferred to private assets from special operating assets at book value, it must be recognised here with the data provided. In the case of undeveloped land, there is no requirement to enter book value attributable to the building. If more than three properties have been transferred to private assets, please indicate this with the number of transferred properties. When exercising the option pursuant to Section 24 (6), do not make entries for the relevant property here.

### 6 Code 9926: Deductible operating expenses

Enter here **all** additional business expenses as a single total. The codes for the workspace flat-rate deduction (9215, 9217) and ergonomically suitable furniture (9216) must not be filled in.

### 7 Share of profit/loss (before taking account of the following codes)

In this field, enter the apportioned profit/loss derived from the results of Supplement E 6a. **This may be divided among the investing parties in departure from the noted participation ratio.**

Please note that the sum of the entries in this line (line for the sum in point 4 in E 6a), must **match** the result from Supplement E 6a.

Departures from the norm in apportionment of profit/loss that do not arise from special operating income or expenses or the sale of a partnership share must be recognised in the share of profit/loss of the investing parties.

#### For example:

*D and E each have a 40% share and F has a 20% share in the DEF partnership under Austrian civil law. The company makes a profit (point 4.3 of Supplement E 6a) of EUR 40,000. E has received a pre-emptive profit of 10,000 euros granted under the articles of association. The company has not booked any special operating income or expenses.*

*An apportionment declaration (E 6), a Supplement E 6a and a further Supplement E 6a-1 must be submitted. The result from point 3 of Supplement E 6a (EUR 40,000 – pre-emptive profit not yet taken into account) must first be subtracted (in an ancillary calculation) by the pre-emptive profit (the pre-emptive profit is not stated in the form):*

|                          |               |
|--------------------------|---------------|
| profit from E 6a         | 40,000        |
| - pre-emptive profit     | - 10,000      |
| profit to be apportioned |               |
| pro-rata                 | <u>30,000</u> |

*D receives 40% of 30,000 euros, E also receives 40% of 30,000 euros plus 10,000 euros in pre-emptive profit, and F receives 20% of 30,000 euros.*

|                                                                                       | <b>D<br/>40%</b> | <b>E<br/>40%</b> | <b>F 20%</b> |
|---------------------------------------------------------------------------------------|------------------|------------------|--------------|
| Share in profit/loss (enter in the line above code <b>9915</b> in E 6a-1)             | 12,000           | 22,000           | 6,000        |
| Taxable share of result                                                               | 12,000           | 22,000           | 6,000        |
| Profit of the DEF partnership (total of taxable share of results according to E 6a-1) | <b>40,000</b>    |                  |              |

The amount of EUR 40,000 must be entered in point 3b of Form E 6 and transferred to code **330**.

## 8 Code 9915: Special operating revenues

All special operating revenues (e.g. remuneration for activities, rent or interest) must be recognised here. Pre-emptive profits must not be recognised here, but instead in "Share of profit/loss before accounting for the following codes" (see note 7).

## 9 Code 9275: Study

As a general rule, expenditures for a study set up in a private home, including furnishings, are not deductible. Expenses are only deductible if the study is used exclusively, or almost exclusively, for business purposes and represents the primary place of the entire business activity. This applies, for example, in the case of writers, painters, composers or experts.

In particular, operating expenses that may be recognised in connection with a study include pro-rata rental costs, building ancillary costs (heating, lighting, insurance, etc.), depreciation for wear and tear (AfA), and financing costs. For more information about a study, refer to the Wage Tax Guidelines, margin notes 324 et seq.

## 10 Code 9215: Small workspace flat-rate deduction

The workspace flat-rate deduction may be claimed if no other space is available to carry out the work activity. Recognition of a study excludes the option of claiming the workspace flat-rate deduction. The small workspace flat-rate deduction is 300 euros for a full business year if other income exceeding 13,308 euros during the calendar year was earned from active employment for which other premises are available outside the home. Apart from the small workspace flat-rate deduction, only expenses for ergonomically suitable furniture are deductible (code 9216). The amount of 300 euros must be apportioned over the year if necessary (25 euros per month). If more than one business is involved, the workspace flat-rate deduction may be claimed only once and must be divided on a pro-rata basis according to operating revenues.

## 11 Code 9216: Expenditure on ergonomically suitable furniture

Expenses for ergonomically suitable furniture for a workspace set up in the home may be recognised as operating expenses to a maximum limit of **300 euros**. Any excess of the maximum amount from a previous year must also be recorded here within the maximum amount of 300 euros (this is not automatically recognised).

## 12 Code 9217: Large workspace flat-rate deduction

The workspace flat-rate deduction may be claimed if no other space is available to carry out the work activity. Recognition of a study excludes the option of claiming the workspace flat-rate deduction. The large workspace flat rate

deduction is 1,200 euros for a full business year if no other income exceeding 13,308 euros during the calendar year was earned from active employment for which other premises are available outside the home. With the workspace flat-rate deduction, all expenditures incurred from use of the residence for business purposes are recognised. The amount of 1,200 euros must be apportioned over the year if necessary (100 euros per month). If more than one business is involved, the workspace flat-rate deduction may be claimed only once and must be divided on a pro-rata basis according to operating revenues.

## 13 Code 9354: Eco-surcharge

In the case of buildings used for residential purposes that comprise special operating assets, an eco-surcharge of 15% can be recognised as an operating expense for expenditures incurred in the assessment year for thermal energy renovations or for the replacement of a fossil fuel-based heating system with a climate-friendly heating system.

## 14 Code 9925: Other special operating expenses

All other special operating expenses must be recognised in a single sum.

## 15 Code 9387: Correction to sale and/or disposal/transfer to private assets/write-up and write-down of business premises

Under this code, enter all corrections ensuing from the offsetting provision of Section 6 item 2 letter d relating to transfer of land to private assets at book value or a need to assess income from realised value appreciation in business premises in deviation from the general rules for assessment of profit (e.g. flat-rate assessment pursuant to Section 30 (4)). Profits included in income on business-related land that may be taxable at the special rate (in the income tax assessment of the investing parties) must be presented in code **9764/7764**.

**16** When using Supplement E 6a-1, enter here the **donations** made from business assets to the recipients of donations named in the relevant codes. In this case, do not fill in codes **9243, 9244, 9245, 9246, 9206, 9207, 9208 and 9209** in Supplement E 6a.

**17** When using Supplement E 6a-1 enter here the shareholder-related **contributions** made from business assets to a charitable **foundation** (Section 4 c). In this case, do not fill in code **9261** of Supplement E 6a.

**18** Discretionary contributions made to a foundation pursuant to Section 4b that were made after 31/12/2023 and could not be recognised in the year of the contribution may be recognised within the subsequent nine years within the scope of **contribution carry-forward** (Section 4b (1) item 3, see also Austrian Income Tax Guidelines 2000 (EStR 2000), margin note 1353).

**19** When using Supplement E 6a-1, enter the shareholder-related contributions made from business assets to the Innovation Foundation for Education and its subsidiary foundations (Section 4 c) in code **9462**. In this case, do not fill in code 9262 of Supplement E 6a.

**20** Discretionary contributions made to a foundation pursuant to Section 4c that were made after 31/12/2023 and could not be recognised in the year of the contribution may be recognised within the subsequent nine years within the scope of **contribution carry-forward** (Section 4c (1) item 3, see also Austrian Income Tax Guidelines 2000 (EStR 2000), margin note 1367).

**21** In the case of **capital gains** relating to business **capital assets** and to any affected business-related land where **taxes at a special rate are levied** from the investing parties, please note the following:

In this case, the apportioned tax-free profit allowance, to the extent applicable to these gains, must be deducted from this income and in doing so must not reduce the income from investment subject to the standard tax rate. Under codes **9221**, **9227** and **9229** of Form E 6a-1, the entire tax-free profit allowance must always be deducted for each investing party without allocation, since preferentially treated profits are included in the result to be determined. In Form **E 11** points 4 and 5, the capital yields/capital gains eligible for preferential treatment must then be separated out. If for investing parties these capital yields/capital gains are not subject to regular taxation (no exercise of the regular taxation option as referred to in point 7.1 or 7.2 of Form E 1), a necessary correction (allocation) of the tax-exempt profit allowance must also be made in point 4 or 5 in Form E 11, as the case may be, in such a way that in Form E 1, the values recorded under points 9.2/10.2/11.2 or under the codes provided for the special tax rates will be deducted by the properly allocated tax-free profit allowance.

**For example:**

*Per Section 23 Austrian Income Tax Act 1988 (EStG 1988), the profit earned by the ABC partnership under Austrian civil law (A, B each with a 25% share, and C with 50%) amounts to 2,000 before accounting for a property sale. A profit of 18,000 is made from the sale of the property, and for all partners, that profit is taxed at 30%. The basic tax-free allowance must then be assessed as follows:*

*The tax base for the tax-free profit allowance is the (total) pro-rata apportioned operating profit, i.e. 5,000 each for A and B and 10,000 for C. The tax-exempt profit allowance (basic tax-free deduction) is therefore 750 each for A and B and 1,500 for C. Ten percent of the tax-exempt profit allowance must be allocated to the profit that is taxable at the standard rate.*

*For A and B, 750 is to be entered under code **9221**, and similarly 1,500 to be entered for C. The pro-rata share of income for the investing parties as assessed in the apportionment procedure is therefore 4,200 for A and B and 8,500 for C.*

*In the Form E 11 submitted by parties A and B, the pro-rata profit share of 4,250 in point 5 must be subtracted by 3,825. This amount is obtained from the apportioned real property gain (4,500) recognised as a deduction and 9/10 of the tax-free profit allowance recognised as a surcharge (675), because this component is attributable to the real property gains taxed at the special rate, so that only 1/10 of the tax-free profit allowance is recognised in the result for the investment income subject to the standard tax rate. For A and B, the income from the investment (taxable at the standard rate) to be transferred from E 11 to form E 1 under point 11b is therefore 425 euros, and for each, 3,825 euros must be transferred to code **963**. This also applies mutatis mutandis for C.*

**22** Please note that a tax-free profit allowance may **not** be claimed under the apportionment procedure if the investment comprises part of the **business assets of an enterprise**.

## **23 Code 9221: Basic tax-free allowance**

A basic tax-free allowance is provided at 15% of the profit (excluding capital gains), subject to a maximum of EUR 4,950. Partners in the enterprise are entitled to a pro-rata allocation of the basic tax-free allowance in proportion to their share of profit.

## **24 Code 9227: Investment-related tax-free profit allowance - tangible assets**

To the extent that profit (excluding capital gains on sale and/or disposal) exceeds the assessment basis of the basic tax-free allowance, an investment-related tax-free profit allowance can be claimed provided that it is covered by the acquisition or manufacture of certain tangible assets (see margin note 3828 of the Austrian Income Tax Guidelines 2000 (EStR 2000)). The partners in the enterprise are entitled to a pro-rata allocation of the basic tax-free allowance in proportion to their share of profit. The percentage of the tax-free profit allowance is staggered (Section 10 (1)).

In code **9227**, enter the amount that is to be treated as an exemption pursuant to Section 10.

## **25 Code 9229: Investment-related tax-free profit allowance - securities**

To the extent that profit (excluding capital gains on sale and/or disposal) exceeds the assessment basis of the basic tax-free allowance, an investment-related tax-free profit allowance can be claimed provided that it is covered by the acquisition of securities (Section 14 (7) item 4).

The percentage of the tax-free profit allowance is staggered (Section 10 (1)). In code **9229**, enter the amount that is to be treated as an exemption pursuant to Section 10.

## **26 Code 9234: Tax-free profit allowance with deferred tax liability (Section 10)**

Enter a tax-free profit allowance with deferred tax liability (see in particular margin note 3715 of the Austrian Income Tax Guidelines 2000).

## **27 Code 9930, 9931, 9932: Partnership share has been sold (percentage)**

If a **share in the entrepreneurial partnership** has been sold, the size of the sale of the investment share must be presented here as a percentage. If the entire partnership share has been sold, the value to be entered is therefore "100"; if for example a quarter of the partnership share has been sold, the value to be entered is "25". In the case of selling a share in an entrepreneurial partnership, do **not** make an entry in Form E 6a (code **9020** in E 6a relates to the sale/cessation of a business or part of the business operation of the entrepreneurial partnership).

## **28 Code 9935, 9936, 9937: Transition profit/loss**

This entry is for transition profit/loss to be assessed by reason of sale (cessation) of a partner share, which is thus recorded in the taxable share of the result. When selling the share in an entrepreneurial partnership, **do not** make an entry in Form E 6a (code **9010** in E 6a relates to the change in assessment of profit for the partnership, while code **9020** in E 6a relates to the sale/cessation of a business or part of the business operation of the entrepreneurial partnership).

## **29 Code 9940, 9941, 9942: Capital gain (before any tax-exempt amount)/capital loss**

This entry is for capital gain/loss to be assessed by reason of sale (cessation) of a partner share, which is thus recorded

in the taxable share of the result. When selling the share in an entrepreneurial partnership, **do not** make an entry in Form E 6 (code **9010** in E 6a relates to the change in assessment of profit for the partnership, while code **9020** in E 6a relates to the sale/cessation of a business or part of the business of the business operation of the entrepreneurial partnership).

### 30 Code 9022, 9023, 9024: Tax-free allowance for capital gains pursuant to Section 24 (4)

If the tax-exempt allowance is used, this rules out use of the half tax rate or the three-year distribution (E 1).

**31** Corrections to share of results obtained by reason of a capitalist investment pursuant to Section 23a must be entered in code **9053**.

**32** Losses to be carried forward pursuant to Section 23a must be entered in code **9025**.

Pursuant to Section 23a, losses sustained by a capitalist co-entrepreneur may not be offset or carried forward (deferred losses) in the case of natural persons if this will result in or increase a negative capital account for tax accounting purposes. This does not apply if the losses have resulted from an overhang of special operating expenses. A shareholder is to be regarded as a capitalist co-entrepreneur if he or she is not liable or has only limited liability toward third parties and no pronounced partner initiative develops. Economic goods belonging to the special business assets and special operating revenues/special operating expenses, including their transfer to private assets or contribution, must not be recognised for the capital account for tax accounting.

Deferred losses

- must be offset against profits in subsequent business years (including transition profits and capital gains) or
- become offsettable and deductible losses in the amount of the contributions made in a subsequent business year, provided that they exceed the value of transfers to private assets. If the capitalist co-entrepreneur is held liable, this is deemed a contribution for tax purposes. If the capitalist co-entrepreneur becomes a partner with unlimited liability pursuant to Section 128 of the Austrian Commercial Code (UGB), all losses carried forward from this assessment year shall become losses that may be compensable and carried forward. The development of the capital account for tax accounting purposes (codes **9397/7397**, **9398/7398**, **9399/7399** and **9400/7400**) and the loss carry-forward (**9401/7401**, **9402/7402** and **9406/7406**) must be presented in the apportionment declaration for each capitalist co-entrepreneur in relation to the business year.

**33** Enter the loss carry-forward of a previous year to be offset against a profit of the relevant year. The offsetting may only be performed up to the amount of profit before taking Section 23a into account.

### 34 Total sum of taxable profit shares

The income of the entrepreneurial partnership is derived from the total sum of the taxable profit shares of all investing parties. This income must be entered in Form E 6 under point 1b, 2b or 3b and under code **310**, **320** or **330**.

**For example:**

A, B each have a 40% share and C a 20% share in the ABC partnership under Austrian civil law. The company makes a profit (point 3 of Supplement E 6a) of EUR 40,000. A rented a building to the company, for which the company paid him 6,000 euros in rent and depreciation for wear and tear (AfA) of 150 euros. C extended a personal

loan to the company and received 120 euros in interest from the company. An apportionment declaration (E 6), a Supplement E 6a and a further Supplement E 6a-1 must be submitted.

The result from point 3 of Supplement E 6a (40,000 euros, including expenses of 6,000 euros in rent and 120 euros in interest) must be apportioned among the investing parties in Supplement E 6a-1, so that special operating income (rent, interest) must be recorded in the case of A, B and C, and special operating expense for depreciation for wear and tear (AfA) recorded in the case of A.

|                                                          | <b>A<br/>40%</b> | <b>B<br/>40%</b> | <b>C<br/>20%</b> |
|----------------------------------------------------------|------------------|------------------|------------------|
| Profit share (according to E 6a)                         | 16,000           | 16,000           | 8,000            |
| Rent ( <b>9915</b> )                                     | 6,000            |                  |                  |
| Interest (code <b>9915</b> )                             |                  |                  | 120              |
| Depreciation for wear and tear (AfA) (code <b>9925</b> ) | -150             |                  |                  |
| Total                                                    | 21,850           | 16,000           | 8,120            |
| Profit                                                   | <b>45,970</b>    |                  |                  |

The amount of EUR 45,970 must be entered in point 3b of Form E 6 and transferred to code **330**.

**35** An apportionment shall **only** be made if **two business years end** in the relevant calendar year. Since the operating income must be determined for each business year, the profit/loss (total of the taxable profit shares, see note 23) and the taxable shares of profit for each participant must be **apportioned** between the two business years. For each participant, the balance from the results of business years 1 and 2 must correspond to the taxable share of the result (note 23); the same applies to the total of the taxable share of the result.

### 36 Apportionments for assessment of the investing parties

The apportionments relating to the investing parties must be entered here. These entries have no effect on the amount of income to be apportioned; they are used for apportionment by official decision.

**37** Capital gains on **business-related land** must be applied to the joint income even if these gains may be taxable at the special tax rate for the investing parties. The option of taxation at the special tax rate or at the normal rate – the latter when opting for standard taxation as referred to in point 7.2 in Form E 1 – must be exercised by the investing party in the income tax return. In Form E 11 (supplement to the income tax return for income from investment participation), the income without preferential capital gains relating to business premises must be stated for the investing parties.

**38** The capital gains must always be assessed in the apportionment procedure by applying the prohibition of deductions pursuant to Section 20 (2) (e.g. for contract preparation expenses, consultancy expenses, brokerage expenses, and expenses for advertising or valuation reports); this value must be transferred to code **9764/7764**. The expenses referred to in Section 20 (2) and not recognised when determining the value of code **9764/7764** must be entered under code **9771/7771**. Only in the case of standard taxation must the value in code **500/501/502** of Form E 1 obtained from code **9764/7764** be deducted by the value of code **9771**, so that expenditures not initially recognised will be deducted in the result.

## D) Explanatory notes for Supplement E 6b

### General information about Supplement E 6b

In all cases, it is necessary to submit the apportionment declaration (E 6) and **one** Supplement E 6b **for each** source of income. If necessary – when holding a stake in another rental association – Supplement E 61 must also be used. With regard to the entry options, the Supplement essentially corresponds to Supplement E 1b (Supplement to the income tax return for income from rentals and property leasing). In addition, it contains a “totals column” and columns for the individual investing parties. Supplement E 6b presents the **standardised cash surplus account**; no further transfer of a cash surplus account is required.

#### 1 VAT gross system/VAT net system

In the case of the **VAT gross system**, revenues and expenses leading to income-related expenses must be presented inclusive of VAT. For expenditures to be deducted by way of depreciation for wear and tear (AfA), the deductible input VAT may be deducted immediately as income-related expense. The costs of acquisition (production costs) must be used as the depreciation baseline without VAT. The total of the VAT payables paid in the assessment year must be entered under code **9530**, and the total of any VAT credits must be entered under code **9460**. If there are both VAT payables and VAT credits, they must be netted; in the case of a credit surplus, this must be entered under code **9460**, in the case of a payable surplus, this must be entered under code **9530**. In the case of the **VAT net system**, VAT is treated as a pass-through item and is excluded from presentation on both the revenue side and the income-related expenses side. All revenues and expenses eligible for input tax deduction that lead to income related expenses are therefore presented only net. The net system is only permitted for taxpayers for whom the VAT can generally have a pass-through character. Net offsetting is therefore not possible in cases in which an entrepreneur generates non-genuine tax-exempt turnover.

#### 2 Assessed rateable value reference number (EWAZ)

If the source of income comes from a single property (e.g. privately-owned flat or rental property), enter the assessed rateable value file number (EWAZ), postcode and address of the location. If more than one property is rented out as part of a single source of income (e.g. renting out of several privately-owned flats in the same building to a tenant), it is sufficient to indicate a single property. In this case, always specify the same property in subsequent years if the circumstances remain unchanged.

#### 3 Re “A: General information”

A **totals column** and an **investing party column** for each investing party are provided for the entries.

Entries must be made in the **totals column** if they are related to **all investing parties on an equal basis**, enabling the value attributed to individual investing parties to be determined from the noted participation ratio. In this case, entries in an investing party column may not be made.

Applications submitted by all investing parties must be submitted **only** in the totals column. In this case, entries in an investing party column may not be made.

##### Example 1:

*G, H and I have bought a house that they are renting out. The depreciation for wear and tear (AfA) of the building is based on the acquisition costs for the building.*

*In the totals column, enter the total acquisition costs under code **9409**, and enter the portion of total acquisition costs attributable to the building under code **9410**. No further entries are required.*

|                                                                                | Totals column | G | H | I |
|--------------------------------------------------------------------------------|---------------|---|---|---|
| Purchase cost (land and building) <b>9409</b>                                  |               |   |   |   |
| Total purchase cost attributable to building without share of land <b>9410</b> |               |   |   |   |

Applications that do not affect all investing parties equally must be entered in the **totals column**, and **additionally** in the **relevant column of the investing party concerned**.

##### Example 2:

*J, K and L are third-party owners of a house that they rent out together. Maintenance costs (section 28 (2) Austrian Income Tax Act 1988 (EStG 1988)) have been incurred amounting to 18,000 euros, which J deducts in full in the relevant year, while K and L spread the costs over 15 years.*

*Entries under point A:*

*K and L must enter the value (EUR 6,000) that is attributable to them in their participant column in code **9430** and submit the application for apportionment by ticking the investing party column. No entries are to be made in the investing party column of J. Enter the sum of the maintenance costs spread over 15 years (EUR 12,000) in the totals column.*

|                                                 | Totals column | Y | K            | L            |
|-------------------------------------------------|---------------|---|--------------|--------------|
| Application pursuant to Section 28 (2) <b>X</b> |               |   | <b>X</b>     | <b>X</b>     |
| Expenditures to be apportioned <b>9430</b>      | <b>12,000</b> |   | <b>6,000</b> | <b>6,000</b> |

**4 A first-time rental** exists only if the building has not previously been used - or also if there has been an interruption of several years - to generate business or non-business income.

**5 The depreciation for wear and tear (AfA)** is based on the **notional acquisition cost** at the time of the beginning of the rental if a building of the **legacy assets** (Section 30 (4)) is rented out for the first time. As a rule, the building comprises a legacy asset if it was purchased before 31/03/2002.

The **notional acquisition cost** represents the amount that would have had to be spent to acquire the building. It is to be determined by way of estimation on the basis of a real estate appraisal. The costs associated with the property appraisal are immediately deductible as income-related expenses. See also margin note 6441 Austrian Income Tax Guidelines 2000 (EStR 2000) for determination of the notional acquisition cost.

In the case of an acquisition free of charge, if a period of more than ten years has elapsed between the termination of the lease by the legal predecessor or the termination of the tenancy in the course of an acquisition free of charge and the renewed commencement of the lease by the taxpayer, the notional acquisition cost may be used (margin note 6432 Austrian Income Tax Guidelines 2000 (EStR 2000)).

**6** The depreciation for wear and tear (AfA) is based on the **actual acquisition cost** if a building acquired immediately before the start of the lease is leased out for the first time (see margin note 6433c). The same applies if a building comprising a **new asset** that was not purchased immediately before the start of the rental period is leased out for the first time. As a rule, a new asset exists if the building was purchased after 31/03/2002.

**7** With the **Land Share Ordinance 2016**, the share of the land in the total acquisition costs has been fixed as a lump sum to take into account different local or structural conditions.

Accordingly, the proportion attributable to the ground is:

- a) 20% in municipalities with less than 100,000 inhabitants, where the average price per square meter for ready-to-build land is less than 400 euros;
- b) 30% in municipalities with at least 100,000 inhabitants and in municipalities where the average square meter price for ready-to-build land is at least EUR 400 if the building contains more than 10 residential or commercial units;
- c) 40% in municipalities with at least 100,000 inhabitants and in municipalities where the average square meter price for ready-to-build land is at least EUR 400 if the building contains up to 10 residential or commercial units.

Accordingly, the building portion is **60%** (point c), **70%** (point b) or **80%** (point a). If you are making use of this apportionment, please tick the appropriate percentage (the share of the building in the total cost of ownership).

The share of the land may also be determined by another apportioning ratio,

- if the actual circumstances obviously vary significantly from the values in the ordinance, or
- if its accuracy is substantiated.

Evidence can be provided, for example, by an expert opinion. A submitted report is subject to free consideration of evidence. If the building share has been determined according to a different apportioning ratio, enter this percentage.

**8** An **acquisition free of charge** takes place in particular in the case of acquisition by gift, against alimony, by inheritance, legacy or gift upon death, and as settlement of a claim to a compulsory portion of an estate. In the case of a "mixed gift," see margin notes 6425 Austrian Income Tax Guidelines 2000 (EStR 2000).

**9** If the building has been rented out before and will be rented out again in the year of the tax return, please enter the original depreciation (AfA) baseline under code **9416**. In this case, the depreciation for wear and tear (AfA) must be continued (see margin note 6433e of the Austrian Income Tax Guidelines 2000 (EStR 2000)).

**10** If the last leasing of the premises ended before 01/01/2016, the depreciation for wear and tear (AfA) must be adjusted in the event of a continuation or resumption of the lease if according to the legal circumstances applicable from 2016 (see note 7), a different apportionment ratio of land and building applies. Please indicate whether the depreciation for wear and tear (AfA) has been adjusted or not.

**11** If a building removed from business assets is rented, the value of the transfer (as a rule book value; if an exception to the special tax rate pursuant to Section 30a (3) applies:

apportioned value, in the case of cessation of business upon application: fair market value) instead of the costs of acquisition or production ((Section 6 item 4).

**12** Upon **application**, pursuant to Section 28 (2), expenditures for non-recurring annual **maintenance work**, deductions for **extraordinary technical or economic wear and tear** and the associated expenditures, and **extraordinary expenditures** that are not expenditures for maintenance, repair, or production, may be recognised in an even apportioning over fifteen years.

**Maintenance expenses** are incurred if only insignificant parts of the building are replaced or if there is no significant increase in the utility value or useful economic life (cf. margin notes 6467 et seq. Austrian Income Tax Guidelines 2000 (EStR 2000)).

**Refurbishment expenditures** (after any reduction by dedicated tax-exempt subsidies from public funds for this purpose) must be apportioned in the case of residential buildings. In the case of buildings that are not used for residential purposes (e.g. buildings for business use), non-recurring refurbishment expenditures may optionally be depreciated immediately or on an apportioned basis. Refurbishment expenditures are any expenditures that do not comprise part of the acquisition or production costs and, alone or together with production expenses, significantly increase the utility value of the building or significantly extend its useful economic life (see also margin notes 6450 et seq. Austrian Income Tax Guidelines 2000 (EStR 2000)).

In the case of apportioning, the **total amount** of the expenses incurred in the relevant assessment year to be recognised on an apportioned basis must be entered under code **9430**. Under code **9470**, enter all partial amounts attributable to the assessment year, including those from an application for apportioning made in previous years. Maintenance expenditures or refurbishment expenditures that have been written off immediately (for other than residential buildings) must be entered under code **9520**.

**13** Pursuant to section 28 (3), the following expenditures, insofar as they represent production costs (cf. margin note 6476 Austrian Income Tax Guidelines 2000 (EStR 2000)), upon application, must be deducted at an even rate over **fifteen** years:

- expenditures within the meaning of Sections 3 to 5 of the Austrian Tenancy Act in buildings that comply with the provisions of the Austrian Tenancy Act on use of the main rental.
- expenditures for renovation measures if according to the Residential Building Renovation Act, the Entry Level Housing Act or the requirements of state regulations about funding for residential building renovation.
- expenditures for renovation measures for which federal funding is paid out in accordance with Section 3 of the Environmental Funding Act (UFG) or where the requirements have plausibly been met.
- expenditures incurred by reason of the Austrian Act concerning Protection of Historical Monuments.

If statutory rent increases are made to finance these production expenses, the production costs (after any reduction by appropriately dedicated tax-exempt subsidy from public funds) may be apportioned evenly over the term of the increased rents, notwithstanding at least evenly over ten years. Please enter the apportionment period. When

submitting an application for apportioning, the **total amount** of the production costs incurred in the relevant assessment year must be entered under code **9440**. All partial amounts to be recognised in the relevant assessment year must be entered under code **9480**. If no apportioning is applied for, production expenditures are to be deducted over the remaining useful economic life pursuant to Section 28 (3) and recognised in the depreciation for wear and tear (AfA) under code **9500**.

**14** Pursuant to Section 28 (4), reimbursement of expenses pursuant to **Section 10 of the Austrian Tenancy Act** may be apportioned evenly over ten years upon application. When submitting an application for apportioning, the total amount of the expenditures incurred in the relevant assessment year must be entered under code **9450**. Under code **9490**, enter all one-tenth amounts attributable to the assessment year, including those from an application submitted in previous years.

**Example 3 (continuation of example 2 in note 3):**

*J, K and L are third-party owners of a house that they rent out together. Maintenance costs (Section 28 (2) Austrian Income Tax Act 1988 (EStG 1988)) amounting to 18,000 euros have been incurred. J deducts these costs in full in the year when incurred, while K and L spread them over 15 years. The rental income (33,000 euros), depreciation for wear and tear (AfA) (2,400 euros), financing costs (600 euros) and other income-related expenses (3,600 euros) must be apportioned according to the noted participation ratio.*

|                                      |             | <b>Totals column</b> | <b>Y</b> | <b>K</b> | <b>L</b> |
|--------------------------------------|-------------|----------------------|----------|----------|----------|
| Revenues                             | <b>9460</b> | 33,000               |          |          |          |
| Expenditures pursuant to Section 28  | <b>9470</b> | 1,200                |          | 600      | 600      |
| Depreciation for wear and tear (AfA) | <b>9500</b> | 2,400                |          |          |          |
| Financing costs                      | <b>9510</b> | 600                  |          |          |          |
| Immediately deducted                 | <b>9520</b> | 6,000                | 6,000    |          |          |
| Other income-related expenses        | <b>9530</b> | 3,600                |          |          |          |
| <b>Total</b>                         |             | <b>19,200</b>        |          |          |          |

## 16 Revenues – Code 9460

In code 9460, all income from the source of income must be entered as one total. Income includes, in particular, redemptions, rent advance payments or charged building ancillary costs (these can also be treated as pass-through items in the case of rent-protected properties that are subject to the offsetting obligation under Section 21 of the Tenancy Act, cf. margin notes 6401 et seq. Austrian Income Tax Guidelines 2000 (EStR 2000)).

## 17 AfA – Code 9500 where not to be recorded under code 9134 and/or 9135

Under code 9500, enter the amount of deduction for wear and tear (depreciation for wear and tear (AfA) of buildings and furnishings) for the assessment year. Regarding the baseline for depreciation for wear and tear (AfA) and the depreciation (AfA) rate, see Section 16 (1) item 8 and marginal note 6422 et. seq. Austrian Income Tax Guidelines 2000 (EStR 2000)).

## 18 Degressive depreciation for wear and tear

For assets acquired or manufactured after 30/6/2022, depreciation for wear can be applied in declining annual amounts at a fixed percentage rate of no more than 30% (**degressive depreciation for wear**). This percentage is to be applied to the relevant book value (residual book

## 15 Re "B: Assessment of income

Enter revenues and income-related expenses without a sign. Repayments of revenue must be indicated under code **9530**, and repayments of income-related expenses under code **9460**.

The sums of the values for the individual codes for the investing parties must be entered in the **totals column**.

Please note that **only** the **totals column** needs to be filled in and the columns for the investing parties **do not need be filled in** if the value for the corresponding codes is the **same** for all parties. In this case, the value attributable to the individual investing party(ies) from the noted participation ratio is assessed from the total value. The apportioning of the value from the totals column to the investing parties according to the noted shareholding ratio to determine the income share of each party is performed automatically.

If there are **different values** for individual codes for the investing parties (e.g. different depreciation for wear and tear (AfA)), the values that are attributable to them must be entered in the participant columns and the totals of these values then transferred to the totals column.

value) and results in an amount of depreciation for wear and tear (AfA) specific to the year. Certain assets, in particular buildings, are exempt from the degressive depreciation for wear and tear (AfA) (see Section 7 (1a) item 1).

## 19 Accelerated building depreciation

In the absence of proof of useful life, the deduction for wear and tear for buildings purchased or developed after 30/6/2020, is no more than 4.5% in the year of the first recognition - that is three times the prescribed statutory rate for depreciation for wear and tear (AfA) of 1.5%. In the following year, the maximum depreciation for wear and tear (AfA) is 3%. The rule concerning half-year depreciation for wear and tear (AfA) does not apply. If extension of accelerated depreciation is used for residential buildings completed between 2025 and 2027 (Section 124b item 451 Austrian Income Tax Act 1988 (EStG 1988)), the depreciation for wear and tear (AfA) must also be entered in this field.

**20** If you as landlord on the basis of **reserved usufruct rights** (see margin notes 114 et seq. Austrian Income Tax Guidelines 2000 (EStR 2000)) have made payments for capital claims in the amount of the previously claimed depreciation for wear and tear (AfA), these payments must be entered under code **9505**. See margin note 113a Austrian Income Tax Guidelines 2000 (EStR 2000).

## 21 Financing costs – Code 9510

Deductible borrowing costs (in particular interest and loan fees) incurred during the year of assessment must be entered under code **9510**. Loan repayments (annuities) do not constitute income-related expenses.

## 22 Eco-surcharge

In the case of buildings used for residential purposes, an eco-surcharge of 15% can be recognised as expenditure incurred in the assessment year for thermal energy renovations or for replacement of a fossil fuel-based heating system with a climate-friendly heating system.

The eco-surcharge amounting to 15% of the **total expenditures** must be entered in code **9521** if the underlying expenditures are not apportioned or must be apportioned, or if in the event of apportionment, the option is exercised to immediately recognise the eco-surcharge in full.

In code **9522**, the eco-surcharge of 15% of the **portion of expenditures charged to the assessment year** must

be entered if the option is exercised to recognise the eco-surcharge in accordance with the apportioning of expenditures.

## 23 Income from participating interests that are not to be apportioned by the noted participation ratio – code 9540

Code **9540** is intended for cases of participating interest in another rental association. It must **only** be filled out if the income from the participating interest (E 61) is **not** apportioned according to the noted participation ratio (Verf 60). Please note that with this code, the **totals column** and **at least one column for an investing party** must **always** be filled in.

## 24 Surplus/loss

This line **does not have to** be filled in. **The official assessment of the incomes of the investing parties is based on the entry under codes 9460 to 9540.**

# E) Explanatory notes for Supplement E 6c

## General information about Supplement E 6c

In the case of agriculture and forestry operated by a majority of persons, Supplement **E 6c** must be completed with the apportionment declaration E 6 if the income is apportioned on the basis of the Ordinance of the Federal Minister of Finance on Establishment of Average Rates for Assessing Profits from Agriculture and Forestry (LuF-PauschVO) 2015. Supplement E 6c may **not** be used in the case of assessing agricultural and forestry income outside of this ordinance (regular cash-basis accounting, balance sheet accounting); in this case, Supplement E 6a (and, if necessary, Supplement E 6a-1) must be used. In terms of content, Supplement E 6c largely corresponds to Supplement E 1c.

Under the flat-rate assessment of profit, the regular legal transactions and processes are recognised on a flat-rate basis. In the case of the **complete flat-rate scheme** for agriculture and forestry based on the assessed rateable value or area-dependent average tax rates (for horticultural production for resellers), the actual operating revenues and operating expenses are essentially irrelevant. Nevertheless, extraordinary revenues must be recognised separately, and certain expenses (e.g. lease payments, interest on debt relating to agriculture and forestry usufructuary charges and paid social security contributions) are deductible separately as operating expenses.

The agricultural and forestry **partial flat-rate scheme** consists of cash-basis accounting, in which flat-rate expenses are deducted from actual revenue.

The application of the flat-rate scheme ordinance to obviously individual lines of business or individual component business activities is not permitted.

If you voluntarily switch from flat-rate calculation of profit to balance sheet accounting or complete cash-basis accounting, renewed use of the flat-rate scheme is only permitted after five years.

## 1 Reference number of the rateable value assessment notice

Please enter the file number of the assessed rateable value notice for the business subject to flat-rate assessment. If (in exceptional cases) there is more than one assessed rateable value reference number for the business subject to a flat-rate scheme, please enter only the assessed rateable value reference number of the principal place of the business. Please note that in such a case, all assessed rateable values must be summarised under the flat-rate scheme.

**2 “Large” contribution base option** pursuant to Section 23 (1a) Austrian Farmers' Social Insurance Act means that an application is being submitted to the locally responsible Social Insurance Agency (SVA) for self-employed for the social security contributions to be assessed on the basis of income from agriculture and forestry as shown in the income tax assessment and not on the basis of insurance value derived from the assessed rateable value.

The taxable earnings from agriculture and forestry may then only be assessed by means of balance sheet accounting, complete cash-basis accounting or partial flat-rate assessment (Sections 9 to 13 LuF-PauschVO 2015). Please note that this option may only be exercised at the Social Insurance Agency for Farmers and not at the Tax Office.

## 3 Application for partial flat-rate assessment

If the application for the partial flat-rate scheme is submitted, this application shall be binding for the subsequent four calendar years. Renewed assessment of profit under a complete flat-rate scheme will only be permissible after five calendar years have elapsed from the year in which the application was made for the first time. For the four years following the application, no further application for a partial flat-rate scheme may be submitted and use of a complete flat-rate scheme will not be permitted. After five years have

elapsed after the year in which the application was first submitted, the profit may be assessed again under the complete flat-rate scheme or the partial flat-rate scheme may be resumed in accordance with the application. If the partial flat-rate scheme is to be resumed, please tick the box indicating that the application was submitted in a previous year.

**4** When applied for, the partial flat-rate scheme will be binding for the year of application and the subsequent four calendar years. For the four years following the application, no further application for a partial flat-rate scheme may be submitted and use of a complete flat-rate scheme will not be permitted. After five years have elapsed after the year in which the application was first submitted, the profit may be assessed again under the complete flat-rate scheme or the partial flat-rate scheme may be resumed in accordance with the application. In this case, please tick the box indicating that the application was submitted in a previous year.

**5** The relevant assessed rateable value is derived from the taxpayer's own property plus properties leased from others (including land transferred from others for use) minus properties leased to others (including land transferred to others for use). The relevant assessed rateable value also includes the assessed rateable value surcharges pursuant to Section 35 Austrian Valuation Act for direct payments of the "first pillar" and pursuant to Section 40 Austrian Valuation Act (e.g. above-average animal husbandry, fruit growing and special crops). In case of properties leased from others, the hectare rate of the lessee is decisive, in the case of properties leased out to others, the hectare rate of the lessor is decisive. The areas of properties leased from others and property leased to others (hectares) must therefore be multiplied by the per hectare rate of the relevant branch of the agricultural and forestry industry. Assessed rateable value surcharges charged to the properties leased from others and/or properties leased to others pursuant to Section 40 Austrian Valuation Act must be added accordingly. The result determined in this way must be entered in code **9620** for all properties leased from others and in code **9630** for all properties leased to others. With regard to the attribution of a property leased from others or property leased out to others, it is not a specific point in time that is decisive, but rather the economic use during the assessment period. In case of doubt, the rule that "whoever has the harvest has the additional property attributed to him" applies. If the relevant assessed rateable value for the (full) flat-rate assessment is exceeded as of 31 December in a year due to purchases or acquisitions without consideration during the year, the partial flat-rate scheme is to be applied commencing from the following year.

**6** The **complete flat-rate scheme** requires that the total assessed rateable value of the self-cultivated area does not exceed **75,000 euros**. If this requirement is met, the complete flat-rate scheme is still not permitted if the "large" contribution base option has been exercised with the SVA for self-employed persons in the assessment year or an application for the partial flat-rate scheme is being submitted or has been submitted in the previous four years (see notes 3 and 4).

**7** The **base amount** is used to assess earnings from agriculture, forestry, alpine farming, viticulture (only up to 60 ares), orchards, fisheries and bee-keeping for complete flat-rate operations. It is calculated at 42% of the relevant assessed rateable value.

**For example:**

|                                          |              |
|------------------------------------------|--------------|
| Assessed rateable value for agriculture: | 14,000 euros |
| Assessed rateable value for forestry:    | 2,000 euros  |
| Total assessed rateable value:           | 16,000 euros |

The base amount is 42% of 16,000 euros, which is 6,720 euros.

**8** The **partial flat-rate scheme** must be used when the total assessed rateable value of the self-cultivated area exceeds **75,000 euros**. Furthermore, the partial flat-rate scheme applies if the "large" contribution base option has been exercised with the SVA for the assessment year (see note 2) or an application for the partial flat-rate scheme is being made or has been made in the previous four years (see notes 3 and 4).

**9** In the case of partial flat-rate businesses, 30% of all public funds (not one those from the "first pillar") must be recorded in code **9690**.

**10** In the case of earnings from processing activities (pig, cattle, sheep, goats and poultry farming), the operating expenses associated with these activities – in departure from the general flat rate of 70% – are to be assessed at 80% of the operating revenues attributable to these activities, so that the earnings from them amounts to 20% of the operating revenues.

**11** Please enter here the **income from forestry** that is to be assessed under the partial flat-rate scheme (in the case of the complete flat-rate scheme, the income from forestry is included in the base amount).

The partial flat-rate scheme is mandatory for businesses for which the forest has an assessed rateable value exceeding 15,000 euros or which do not meet the requirements for the complete flat-rate scheme (see note 6). In the case of a partial flat-rate scheme, the profit is derived from the operating revenues (including VAT) minus the following flat-rate operating expenses:

- for self-logging
  - 70% of operating revenues (reduction number 1-61 or recovery situation 3)
  - 60% of operating revenues (reduction number 62-68 or recovery situation 2)
  - 50% of operating revenues (reduction number 69-100 or recovery situation 1)
- for timber sales from unfelled trees
  - 30% of operating revenues (reduction number 1-63 or recovery situation 3)
  - 20% of operating revenues (reduction number 64-100 or recovery situation 1 or 2)

If these flat-rate sums are recognised, these percentages increase by 20 percentage points for assessing income from forest use as a result of force majeure (Section 37 (6))

**12 Income from forest sales** must be presented separately aside from current profit when using the flat-rate scheme. If the total amount of all transactions for asset sale and/or disposal in the calendar year does not exceed 250,000 euros, then the proportion of taxable standing timber (including hunting rights) can be assumed to be 35% of the sales proceeds. The 35% also covers any book values of the standing timber and selling costs. Not included in the 35% flat rate are hidden reserves that do not relate to standing timber or hunting rights (e.g. land and buildings). The sales proceeds attributable to the land may be assessed at 50% of the total sales proceeds (cf. margin note 4195b and margin note 4195c of the Austrian Income Tax Guidelines 2000 (EStR 2000)). Income from sales of business-related

land must be entered in code **9746** when exercising the standard taxation option.

The income from forest sales can also be calculated in the amount actually received. Expert opinions on the share of the sale proceeds attributable to standing timber are subject to free consideration of evidence.

If the proceeds from forest sales exceed 250,000 euros per calendar year, the above-mentioned flat rate (35%) may not be claimed.

**13** Please note that in case of capital yields subject to a final **capital yields** tax (KESt) (for example, distributions from agricultural communities) or **capital gains** relating to business capital assets (e.g. from the sale of agricultural community shares) or on **business-related land** that may be taxable at the special tax rate:

Operating income treated as tax-privileged must always be recorded in the (share of) profit/loss (share) to be apportioned. Accordingly, this income must be recorded under code **9745** or **9746**. The right to choose whether such income should be subject to taxation at the standard rate or the special tax rate shall be made by the investing party in his or her income tax procedure.

Since a decision about the type of taxation is one made outside of the apportionment procedure, Form **E 11** provides that such preferentially treated components of business income from the profit/loss share must be presented separately using Form E 11 and the investment result must be transferred to point 9.2 of Form E 1 (initially) without such income components. In the income tax return (E 1), the decision must be made as to whether the capital income/real estate gains included in the apportioned result will be subject to standard taxation or not. If so, the standard taxation option is exercised in point 7.1 or 7.2 of Form E 1 and the entry made under code **780** or **500**). If not, e.g. for properties, the entry is made under code **961/551** in Form E 1).

**14** In case of income from transfer of land for non-agricultural use (e.g., ski slopes), only the taxable portion is to be recognised.

Income subject to withholding tax that has been obtained from an infrastructure provider operating in electricity, gas, oil and district heating in exchange for the granting of a **utility easement** (section 107) may not be recorded here. If the standard taxation option is exercised (point 7.3 of Form E 1), the apportioned incomes must be entered in Supplement E 11 (K 11) for the relevant investing parties.

**15** A transition profit/loss is to be assessed only if there is a switching from the complete flat-rate scheme to complete cash-basis accounting (and vice versa) or from the partial flat-rate scheme to balance sheet accounting (and vice versa). Within the flat-rate scheme, no transition profit/loss is to be assessed when switching from a complete to a partial flat-rate scheme (and vice versa).

As a general rule, transition losses must be recognised over a period of seven years. The relevant one-seventh amount is to be entered under code **9242**. Transition profits must be entered under code **9010**. Transition losses must be entered (in full) under code **9010** only if no one-seventh apportionment has to be made (e.g. in the case of a sale or cessation of the business); in this case, no entry may be made under code **9242**.

**16** When using the agricultural and forestry flat-rate assessment, the tax-free profit allowance is only available in the form of the **basic tax-free allowance**. This amounts to 15% of the assessment base, subject to a maximum of 4,950 euros.

With regard to the **assessment base** for the basic tax-free allowance, the following applies:

- As a general rule, the flat-rate assessed profit without consideration of capital gains or profit from cessation of the business is decisive.
- Business **capital yields** (return on investment, e.g. dividend payouts by an agricultural co-operative) must only be recognised in the assessment base for the basic tax-free allowance if they are taxed at the standard rate on the basis of a standard taxation option pursuant to point 7.1 of Form E 1 and in this case they must be entered under code **9745** and recognised within the framework of flat-rate assessment of profit.
- **Capital gains** on business **capital assets** (e.g. from sale of a share in an agricultural co-operative) must be included in the assessment base for the basic tax-free allowance, regardless of whether they are taxed at the standard rate on the basis of a standard taxation option pursuant to point 7.1 of Form E 1 (in which case they must be entered under code **9745** and recognised within the framework of flat-rate assessment of profit) or whether they are taxed at 27.5% and must be entered in Form E 1 under code **946**.
- **Capital gains** on **business-related land** (e.g. from sale of property from agriculture or forestry business assets) – such as capital gains related to business capital assets – must be included in the assessment base for the basic tax-free allowance, regardless of whether they are taxed at the standard rate on the basis of a standard taxation option pursuant to point 7.2 of Form E 1 (in which case they must be entered under code **9746** and recognised within the framework of flat-rate assessment of profit) or whether – without exercising the standard taxation option pursuant to point 7.2 of Form E 1 – they are to be taxed at the special tax rate and entered under the relevant code for capital gains on business-related land.

In the case of **capital gains** relating to business **capital assets** and on **business-related land** if they are taxed at the special tax rate, please note the following:

In this case, the basic tax-free allowance, to the extent applicable to these gains, must be deducted from this income and in doing so must not reduce the income subject to the standard tax rate. If this is the case, only the basic tax-free allowance applied to income subject to the standard tax rate may be recognised in code **9221**. The part of the basic tax-free allowance that relates to capital gains treated as tax-privileged must be recognised in calculating the value to be entered under the relevant code in Form E 1.

*For example:*

*The flat-rate assessed profit without recognising the sale of a property is 2,000. A profit of 18,000 is made from the sale of the property, and that profit is taxed at 30%. The basic tax-free allowance is to be determined as follows: The assessment base for the basic tax-free allowance is the (entire) operating profit, which is 20,000. The basic tax-free allowance is therefore 3,000. Ten percent of this is to be assigned to a profit of 2,000 euros that is subject to the standard tax rate. Accordingly, 300 must be entered under code 9221. The income from agriculture and forestry from Supplement E 1c is therefore 1,700. In Form E 1, the profit from the sale of the property must be entered under code 961 at 15,300 (18,000 euros less 2,700, i.e. 90% of the basic tax-free allowance that must be assigned to this profit).*

If capital gains are subject to the standard tax rate (entry under code **9745** or **9746**), no assigning of the basic tax-free allowance is required. If the flat-rate assessed profit without tax-privileged capital gains is 0, the basic tax-free allowance does not apply to the entirety of the tax-privileged capital gains.

**17** Profits from the **sale** (cessation) of the entire business or part of it and profit from the sale and/or disposal of a partnership share are not covered by the flat-rate scheme.

**18** In the case of sale and/or disposal or cessation of the entire business, a tax-exempt allowance of up to 7,300 euros (or a pro-rata allowance in the case of sale and/or disposal of part of a business) may be recognised under code **9021**. The tax-exempt allowance may not exceed capital gains as referred to in code 9020.

**19 Flat-rate assessed incomes are apportioned according to the noted participation ratio and when assessing share of profit/loss, no income is recognised from any sale of business premises subject to the special tax rate**

If this check box is ticked, the flat-rate assessed profit will be apportioned in the official notice to the investing parties according to the **noted participation ratio**.

**In the event of any change in participating interests, the changes must be stated using Form Verf 60.**

**20 Flat-rate assessed incomes are not apportioned according to the noted participation ratio and/or when assessing share of profit/loss, income is recognised from any sales of business-related land subject to the special tax rate**

If this check box is ticked, the flat-rate assessed profit will be apportioned in the official notice to the investing parties according to the **information provided here**. Please note that the flat-rate incomes must always be apportioned separately if the profit includes income from **sale and/or disposal of land** subject to the special tax rate. In this regard, taxation at the special tax rate or at the standard tax rate (by reason of a standard taxation option pursuant to point 7.2 of Form E 1) is recorded in the income tax assessment.