

Tax benefits for incoming researchers and scientists

(Private Sector)

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We are happy to support you! Our services comprise the assessment, whether the requirements for the granting of such tax benefits are met in your specific case. Additionally, we support you with the application for and the enforcement of tax benefits for incoming researchers and scientists. Apart from this, we provide you with support in any tax related and social-insurance related question concerning your relocation to Austria.

Potential tax benefits

Tax allowance (Sec 103 Par 1a EStG⁽¹⁾)

- If the conditions are met, Austria grants a tax allowance amounting to 30 % of your worldwide income from scientific activities. With the consequence, that – in general – only 70 % of this income will be taxed in Austria. The tax allowance is granted for 5 years and may lead to considerable tax savings.

Average tax rate (Sec 103 Par 1 EStG⁽¹⁾)

- The average tax rate (of at least 15 %) leads to the elimination of an additional tax burden for foreign income that needs to be declared in your Austrian tax returns. It may be relevant for up to 27 years.
- This tax benefit is of particular interest for you if you still receive foreign income (in a considerable amount) after your relocation to Austria and if the foreign average tax rate in the last 3 years before your relocation was lower than the tax rate in Austria. We are happy to give you advice in this complicated matter.

Requirements

- Your relocation is of public interest to Austria if it promotes science and research. The relevant authorities examine the fulfillment of this requirement in each case individually. However, under the following circumstances the public interest of your relocation is assumed⁽²⁾:
 - Occupational activities of the applicant are predominantly scientific (research or experimental development according to Frascati Manual)
 - Annual gross salary is at least 1.5 times as high as the average annual income in Austria, as calculated by “Statistik Austria” in its last report (2021 at least EUR 65.579; 2022 at least EUR 66.593 including special payments; minimum salary for “Blaue Karte” according to AusIBG)⁽³⁾.
 - The researcher’s wage is qualified as a favorable expense with regard to research bonus according to sec 108c EStG*.

⁽¹⁾ Austrian Income Tax Act („Einkommensteuergesetz 1988, EStG“).

Your contact on the subject



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- _ If you do not fulfill requirement 2 (gross salary), you may still have a chance to receive the tax benefits, but you will have to give proof of your high scientific qualifications in detail. Based on our experiences, gathered throughout a series of application processes, the following conditions may serve as possible indications for a high scientific qualification:
 - Considerable responsibility for (big) projects and employees (e.g. leadership of a scientific group/project, responsibility for staff and funding)
 - (Previous) scientific and research expertise and general picture of the research experience
 - In general a PhD-degree is substantial to prove a high scientific qualification
 - Payments significantly higher than the collective agreement scheme may be beneficial
- _ You have a permanent residence in Austria and your center of vital interest for tax purposes has shifted to Austria (depends on your personal situation, in general the relocation of the family is crucial and – depending on the applied benefit – has not been within Austria during the last 5 or 10 years before your relocation.
- _ Written application (in German) within 6 months from your relocation to Austria, addressed to Tax Office Austria (Finanzamt Österreich) (Please note: This deadline cannot be extended and the start of the deadline needs to be assessed in the individual case – please get support early).

Criteria for tax benefit:

- _ relocation to Austria
- _ activity in the fields of science and research (> 50 %)
- _ activity is of public interest to Austria
- _ certain annual gross salary or documentation of high scientific qualification
- _ application within 6 months

Your benefits at a glance:

- _ significant reduction of income tax burden
- _ support during application process
- _ assistance in filing annual tax returns
- _ advice in tax and social security related questions

Please address your inquiries to Ms Jasmin WANNER or Mr Peter KOWEINDL via relocation@rabelpartner.at.

^② Rule of presumption according to Sec 2 Par 2 Pt 3 of Austrian Zuzugsbegünstigungsverordnung 2016, amended by BGBl I 579/2020 (“ZBV 2016”); under these circumstances an entitlement to the tax benefits can be assumed, if the other requirements are met as well. In other cases, the eligibility is not denied per se, but it has to be argued in detail, whether the relocation is of public interest to Austria.

^③ See mn 8202f, general income tax guidelines of Federal Ministry of Finance („EStR“) with further references.

Disclaimer:

Our explanations are based on the current legal situation, case law, and practice of the Austrian tax authorities (as of April 2022). We have prepared this factsheet with greatest possible care. Nevertheless, the information on the factsheet cannot replace a case-by-case examination. Therefore, we cannot take any responsibility for the applicability, completeness and correctness of this information in the individual case. The General Conditions of Contract for Public Accountants and Tax Consultants (AAB 2018) in the current version are applicable.