Completion instructions for the declarative statement (E 6) 2021 and the supplements to the declarative statement (E 6a, E 6a-1, E 6b, E 6c) for 2021

Legal quotations without further designation refer to the Austrian Income Tax Act 1988 (EStG 1988) in the version applicable for 2020. Detailed tax information can be found in the Austrian Income Tax Guidelines 2000 (EStR 2000) at bmf.gv.at/Findok.

A) Explanations to the declarative statement (E 6) for 2021

When must a declaration of the income of partnerships/ associations (declarative statement) be submitted?

Determination of income presupposes (under § 188 I of the BAO) that several persons are involved in income from

- agriculture and forestry
- self-employed work (e.g. joint practice of lawyer),
- commercial operations (e.g. OG (general partnership under Austrian law), KG (limited partnership under Austrian law) and other partnerships)
- rentals and leasing of immovable property (e.g. joint ownership of real estate).

Whether such a type of income exists, is determined by the regulations of the Austrian Income Tax Act 1988. **Participants** are not only persons or entities, but also rings of persons (associations) without a legal personality of their own can receive joint income.
A determination procedure takes place, for example, in the case of an OG or OHG (general partnership under Austrian law), KG (limited partnership under Austrian law), GesBR (partnership under Austrian civil law), co-ownerships (*Miteigentumsgemeinschaften*) or atypical silent partnerships (*unechte (atypische) stille Gesellschaften*).
Uniform determination of income presupposes that the participants obtain the **same type of income**. Therefore, for example, determination of income from rentals and leasing may not include parts of income that belong to a participant's business assets and therefore lead to operating income for that participant. If necessary, only those participants whose income is to be assigned to the same type of income are to be included into the determination procedure. If several participants achieve income of the same type, several determination procedures must be carried out (cf. Rz 6024 Austrian Income Tax Guidelines 2000).

What happens upon determination of the income (§ 188 I BAO)?

The income is determined for each of the participants in an individual procedure. The tax office responsible for the income or corporate income tax assessment receives a notification of the determination of income. The tax office responsible in each case is bound by the notification of the determination. The reported income is considered in the assessment for income tax or corporate income tax. If a tax assessment notice has already been issued, and the determination does not correspond to the profit/loss share considered, an amended decision must be issued in accordance with § 295 I BAO.
Any complaint regarding the determination must be directed against the **declaratory decision** (basic assessment notice) and **not** against the tax assessment notice (income or corporate income tax assessment notice, so-called derived decision).

The ruling of the declaratory decision includes:

- The type of the income,
- the amount of the joint income,
- the period of determination, and
- the names of the participants and the amounts of their shares.

If amounts to be considered in the determination procedure (e.g. special operating expenses) are not recorded in the declaratory decision, they can **no longer be considered** in derived decisions.
In the ruling of the decision on the determination of income, among other things, it must also be discussed,

- that loss portions cannot be carried forward,
- that shares of losses (e.g. according to § 2 IIa of the Austrian Income Tax Act 1988) are not eligible for compensation; discussion is also required concerning
- use of "on-hold losses" (*Wartetastenverluste*) and whether
- parts of the income are subject to privileged tax rates (e.g. pursuant to § 37 of the Austrian Income Tax Act 1988).

In the absence of such a determination, a **discussion** as to the circumstances of the case in the **derived** decisions is required.

New creation and maintenance of the participants

When the tax № is assigned, the initial disclosure of the participants also takes place in Form **Verf 16**. **In addition to the participation percentage, the tax office № and tax № must also be communicated (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 correctness of the data of the participants; at any rate, it must be ensured that the percentage of the partnership/association is **100%**.

Participant maintenance is required **only** in the event of a change in the noted participations. Form **Verf 60** is to be used for this purpose.
The following input fields – in relation to the respective assessment year – are available for entry:

- Tax office number / tax number of the participant,
- participation share in %,
- participating from / to,
- validity for subsequent years,
- general information about the taxpayer

What does the declaration for determination of income (declarative statement) consist of?

The following form sheets are available:

- E 6 – Declarative statement
- E 6a – Supplement to the declarative statement for operating income

- E 6a-1 – Supplement to Form E 6a
- E 6b – Supplement to the declarative statement for income from rentals and leasing
- E 6c – Supplement to the declarative statement for income from agriculture and forestry subject to flat-rate taxation
- E 61 – Supplement to declarative statement (in case of participation in another partnership) ⇨

⇨ The tax return for determination comprises the declarative statement (E 6) with the required supplements. Form E 6 and all the necessary supplements must therefore always be submitted.

The following supplements may be submitted to the declarative statement (E 6):

Earnings from			
Agriculture Forestry	Self-employed work	Commercial operation	Rentals and leasing
E 6a, E 6a-1, E 61 or E 6c	E 6a, E 6a-1, E 61	E 6a, E 6a-1, E 61	E 6b, E 61

1 **Non-compensable losses** pursuant to § 2 IIa EStG may not be excluded from the earnings and must be reported in codes **341**, **342** or **371**, respectively. Losses that can be offset in accordance with § 2 IIa EStG from previous years must not reduce the income; they are to be entered in codes **332**, **346** or **372**, respectively.

2 If the result (surplus/loss) from a further participation is to be apportioned among the participants in accordance with the **stated participation ratio**, it is to be stated in Item 4b. In this case, the result of the participation must ⇨

⇨ not be included directly in Item 4a; a separate Supplement E 6b relating only to income from participations does not have to be filled in.

If the result of the participation (surplus/loss) is **not** to be apportioned among the participants according to the stated participation ratio, this must be specified in Supplement E 61 (checkbox for code **370**). In this case, the result from the Supplement(s) E 61 (code **370**) is **not** to be stated in Item 4b, but to be included in the Supplement(s) E 6b (code **9540**) and transferred into Item 4a as part of the result of the Supplement E 6b.

B) Explanations to Supplement E 6a

The passages highlighted in grey refer only to balance sheet accounting and are therefore irrelevant for partnerships with income-expenditure calculators. If reference is made to statutory provisions without further specification, this is to be understood as meaning the Austrian Income Tax Act 1988 (EStG 1988).

When is Supplement E 6a to be filled in?

Supplement **E 6a** is to be used by partnerships/associations for the purpose of profit determination within the scope of income from

- agriculture and forestry (§ 21),
- self-employed work (§ 22) or
- commercial operation (§ 23)

when the profit (loss) is determined by:

- **balance sheet accounting**
- **full income-expenditure accounting**
- **partial flat-rate taxation** according to § 17, insofar as it does not concern agriculture and forestry (e.g. the statutory basic flat rate, flat-rate taxation for small entrepreneurs, flat rate for the hotel and restaurant industry, flat rate for commercial agents, flat rate for artists/authors, flat rate for chemists, or the flat rate according to the Ordinance for Non-Accounting Tradespersons)
- **full flat-rate taxation** for **food retailers and general merchandise dealers.**

When is the Supplement E 6a not to be filled in?

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

- the partnership obtains agriculture- and forestry-related income based on the **agriculture and forestry (partial and/or full) flat-rate taxation**. In such cases, Supplement **E 6c** is to be used.

How many Supplements E 6a are to be submitted?

Since a partnership, even if it carries out diverse activities, always has only one operation (cf. № 5832 Austrian Income Tax Guidelines 2000), only one Supplement E 6a (E 6a-1) can be filled in for each declarative statement E 6. Supplement E6a must always include the result of the whole operation. If in case of submission on paper with the provided number of six participants this is not sufficient, a further Supplement E 6a is to be submitted, in which, however, **only** the **remaining participants** are to be mentioned in **Item 8**. A Supplement E 6a is to be filled in for foreign operations as well. Foreign operating results of a domestic business are to be included into Supplement E 6a.

Under which conditions does only one Supplement E 6a have to be submitted for the declarative statement (E6) (no additional submission of Supplement E6a-1 required)?

Under the following conditions it is sufficient to submit **Supplement E 6a**, and no further Supplement E 6a-1 needs to be submitted:

1. No capitalist co-entrepreneur as defined in § 23a holds an interest in the company (see also Item 2 on E 6a-1) and
2. the profit/loss from Supplement E6a is to be apportioned among the participants in accordance with the **participation ratio reported**, and
3. a tax-free profit allowance is **not** claimed or a tax-free profit allowance is **not** to be taxed subsequently, and
4. only **one business year** ends in the calendar year, and
5. the profit/loss does not include any capital gains relating to **business premises** to which the special tax rate is applicable, and
6. there is no sale of shares.
7. The **flat-rate taxation for small entrepreneurs** is not claimed.

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

1 The **flat-rate taxation for small entrepreneurs** is applicable to income from self-employment or from commercial operations, with the exception of income from the activities of a shareholder-manager, a member of the supervisory board, or a member of a foundation council. The prerequisite is that the turnover tax exemption pursuant to § 6 I 27 of the Austrian Value Added Tax Act 1994 for small entrepreneurs is applicable, or is not applicable solely because turnover was also achieved that leads to income that is not affected by the flat rate (e.g. turnover from a rental that leads to income from renting and leasing) or because application of the turnover tax exemption pursuant to § 6 III of the Austrian Value Added Tax Act 1994 was waived.
Profit is the difference between the operating revenue (excluding VAT, to be reported in code **9027**) and the operating expense flat rate (to be reported in code **9039**). The flat rate amounts to 45% of the operating revenue. Deviating from this, in the case of a service business it amounts to 20% of the operating revenue.
The applicable flat rate is regulated in the Service Businesses Ordinance, BGBl. II № 615/2020.
In addition to the flat-rate business expenses, contributions paid pursuant to § 4 IV 1 (including compulsory insurance contributions, to be recorded in code **9926** of Supplement E 6a-1) and the basic tax allowance (to be recorded in code **9271** of Supplement E 6a-1) are to be taken into account.
In the case of travel costs that are offset by a cost reimbursement to the same amount to be reported as business income it is ensured by law through the reporting as additional operating expenses that they do not influence the profit (economic pass-through); they are not to be taken into account when determining the flat rate.

2 In the case of profit determination by **balance sheet accounting** (comparison of operating assets and liabilities), a copy of the balance sheet (annual financial statements, balance sheet) and the profit and loss statement must be submitted to the tax office. This can also be done electronically ("E-Bilanz").
The profit is to be determined in accordance with **§ 5** if according to § 189 of the Austrian Commercial Code (*Unternehmensgesetzbuch*, UGB) or other federal regulations there is an accounting obligation, and income is generated from commercial operation (§ 23). If the prerequisites for balance sheet accounting in accordance with § 5 of the Austrian Income Tax Act 1988 are not met, accounting is carried out in accordance with **§ 4 I**.

3 Profit determination by means of **full income-expenditure accounting** means that no flat-rate taxation is claimed, and the operating expenses are recorded in full. Operating revenue is to be reported according to codes **9040** to **9093**, and operating expenses according to codes **9100** to **9233**. Code **9259** (lump-sum operating expenses) must not be filled in.

4 The selection "VAT gross system" or "VAT net system" must always be indicated in case of income-expenditure accounting or flat-rate taxation systematically corresponding to income-expenditure accounting (see Notes 16.3 and 16.4). If all turnovers are VAT-exempt without input tax relief (e.g. **small entrepreneurs**), "gross system" must be ticked.

5 If the **basic flat rate** is applied, the operating revenue is recorded in full, but the operating expenses are deducted at a flat rate of **12%** or **6%** of the turnover.

Apart from the lump sum, only the following deductions may be made:

- Expenditure on goods, raw materials and semi-finished products, auxiliary materials and ingredients;
- expenditure for wages (including non-wage labour costs);
- expenditure for third-party wages, if and insofar as these are directly included in services that form the business object of the company (e.g. contract manufacturing of goods),
- social-insurance contributions and contributions to self-employment provision schemes
- travel expenses, if and insofar as they are offset by reimbursement of costs in the same amount; these travel expenses reduce the turnover relevant for the assessment of the lump sum.

All other operating expenses are covered by the operating expense flat rate, which is to be entered in code **9259** (see Note 44).

6 Licensed hotels and restaurants may make use of the **flat rate for the hotel and restaurant industry**. The **basic lump sum** (**15%** of the turnover, at least € 6,000) covers all operating expenses with the exception of

- those covered by the other two lump sums and
- those that must be considered separately at any rate, even in the case of flat-rate taxation.

The **mobility lump sum** (**2% to 6%** of the turnover) includes

- all vehicle costs and operating costs for the use of other means of transport and
- travel costs.

The **lump sum for energy and premises** (**8%** of the turnover) includes all costs incurred in connection with the use of premises. The (total) lump-sum amount is to be reported in code **9259**.
In addition, the basic tax allowance and certain operating expenses remain fully deductible: Use of goods, wages and non-wage labour costs, social security contributions, training of employees, depreciation for wear, maintenance and repair, rentals and leaseholds of real estate, borrowing costs. Further information can be found in the Austrian Income Tax Guidelines 2000, Rz 4287 et seq).

7 The **flat rate for chemists** substantially corresponds to the basic flat rate, see Note 5.

8 According to the **Ordinance for Flat-Rate Taxation of Artists/Writers**, certain operating expenses can be considered at **12%** of the turnover, up to a maximum of € 8,725 at a flat rate in code **9259**.
The lump sum covers: Expenditure for usual technical aids (in particular computers, sound carriers including recording and playback equipment); expenditure for telephone and office material; expenditure for specialist literature and entrance fees; operational expenditure for clothing, cosmetics and other expenses for the external appearance; daily allowances; expenditure for rooms located within the same structure (in particular study, studio, sound studio, rehearsal rooms); expenditure for the catering of business partners; usually undocumented operating expenses. Expenditure not covered by the lump sum are to be entered in the relevant codes.

9 According to the **flat rate for commercial agents**, certain operating expenses can be considered with **12%** of the turnover, at the most at a flat rate of € 5,825 in code **9259**.

The lump sum covers: Per-diem allowances; expenditure for rooms located in the same structure (in particular warehouse and office premises); expenditure on the occasion of catering for business partners; usually undocumented operating expenses such as gratuities. Expenditure not covered by the lump sum are to be entered in the relevant codes.

10 Under the **Ordinance for Flat-Rate Taxation of Athletes**, for internationally active athletes who are subject to unlimited tax liability in Austria (due to their place of residence or habitual residence) and who predominantly perform abroad in the course of sporting events (competitions, tournaments) in the calendar year, the income from sporting activities, including advertising activities, subject to tax in Austria is to be recognised upon application at 33% of all such income (domestic and foreign). However, the income revenue excluded from the tax assessment base (67%) must be considered when determining the tax for the rest of the income revenue (entry in code **440** in Form E 1). Crediting of foreign taxes from the income determined at a flat rate is excluded.

If the flat-rate taxation is used, only 33% of the operating revenue and operating expenses are to be entered in the respective codes; the 67% to be excluded may not be entered in code **9259**.

11 The Ordinance for Flat-Rate Taxation of **Non-Accounting Tradespersons**, BGBl. № 55/1990, provides for a sector-specific lump-sum operating expenditure rate for a total of 54 trades. The following operating expenses may also be considered:
Purchasing of goods, raw materials and supplies, auxiliary materials, semi-finished products and ingredients (according to purchase journal); wage expenditure (according to wage account), employer's social security contribution, housing subsidy contribution, employer's contribution to the Family Assistance Equalisation Fund; depreciation; expenses for rent or lease, energy, heating, post and telephone; VAT paid (with the exception of VAT from internal consumption) and VAT (input tax) for expenses requiring capitalisation; contributions to compulsory insurance in statutory health, accident and pension insurance as well as the basic tax allowance.

12 Please enter the type of your activity here in the form of a three-digit **industry code** (*Branchenkennzahl*, BKZ). With regard to **mixed operations**, the following applies: A mixed operation is present if at least 20% of the operating sales are not attributable to the industry code stated. In this case, the industry code number of the predominant sales and the existence of a mixed operation must be stated.

The industry codes (BKZ) were derived from ÖNACE 2008 (Austrian version of NACE = European Economic Activity Classification). The three-digit industry code corresponds to the first three digits (with leading zero) of ÖNACE. This can generally be seen from the notification of the Austrian Federal Statistical Office, so that an allocation can be made easily.
In the 2nd column (ECONOMIC ACTIVITIES) of the following table you find the corresponding text of the economic activity allocated to this three-digit industry code.
If, by way of exception, no Austrian statistics are available, it is possible to assign a specific activity to the industry code at www.statistik.at in the "Classifications – Classification database – Economic sectors – ÖNACE 2008 – Display" section.
In the advertisement you can search by the structure of ÖNACE.
At "Downloads", an alphabetic list is available for download. At "Search" you will find all economic activities (occupations and professions) of ÖNACE in a directory comprising approx. 29,000 terms. The code thus found, consisting of a combination of letters and numbers, enables assignment to the correct industry code.

Example: "Fresh Water Fishing" – ÖNACE code "A 03.12" corresponds to BKZ 031 (Fishery), and "Chimney sweepers" – ÖNACE code "N 81.22-1" corresponds to BKZ 812 (Cleaning of buildings, roads and means of transport).

The economic activities are broken down into sections in the table below.

BKZ	ECONOMIC ACTIVITIES
A	**Agriculture and forestry, fishery**
011	Cultivation of annual plants
012	Cultivation of perennial plants
013	Operation of tree nurseries and cultivation of plants for propagation purposes
014	Animal husbandry
015	Mixed agriculture
016	Provision of agricultural service activities
017	Hunting, trapping and related activities
021	Forestry
022	Logging
023	Collecting of products growing in the wild (excluding wood)
024	Provision of forestry and logging services
031	Fishery
032	Aquaculture
B	**Mining and quarrying**
051	Coal mining
052	Lignite mining
061	Extraction of crude oil
062	Extraction of natural gas
071	Iron ore mining
072	Mining of non-ferrous metals
081	Quarrying of natural stone, gravel, sand, clay and kaolin
089	Other mining and quarrying (not classified further)
091	Services to oil and natural gas extraction
099	Services to other mining and quarrying activities
C	**Production of goods**
101	Slaughtering and meat processing
102	Fish processing
103	Fruit and vegetable processing
104	Production of vegetable and animal oils and fats
105	Milk processing
106	Grinding and husking mills, manufacture of starches and starch products
107	Production of pastries and pasta products
108	Production of other food products
109	Production of fodder
110	Beverage production
120	Tobacco processing
131	Preparation and spinning of textile materials
132	Weaving
133	Finishing of textiles and clothing
139	Production of other textile products

BKZ	ECONOMIC ACTIVITIES
141	Production of clothing (excluding fur apparel)
142	Production of fur products
143	Production of wearing apparel of knitted or crocheted fabric
151	Production of leather and leather products (excl. leather garments)
152	Production of shoes
161	Sawing, planing and wood impregnation plants
162	Production of other products of wood, cork, straw and plaiting materials (excluding furniture)
171	Production of pulp, paper, cardboard and paper board
172	Production of goods of paper, cardboard and paper board
181	Production of printed materials
182	Reproduction of recorded sound, image and data carriers
191	Coking plant
192	Mineral oil processing
201	Production of chem. raw materials, fertilisers and nitrogen compounds; plastics and synthetic rubber in primary forms
202	Production of pesticides and other agrochemical products
203	Production of paints, varnishes and similar coatings, printing ink and putties
204	Production of soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations
205	Production of other chemical products
206	Production of synthetic fibres
211	Production of basic pharmaceutical products
212	Production of pharmaceutical specialities and other pharmaceutical products
221	Production of rubber items
222	Production of plastic items
231	Production of glass and glass products
232	Production of refractory ceramic materials and goods
233	Production of ceramic building materials
234	Production of other porcelain and ceramic products
235	Production of cement, lime and burnt gypsum
236	Production of items of concrete, cement and plaster
237	Working and processing of natural stone (not specified elsewhere)
241	Production of pig iron, steel and ferroalloys
242	Production of steel tubes, pipes and tube or pipe fittings
243	Other initial processing of iron and steel
239	Production of abrasive tools and abrasives on supports, as well as other products from non-metallic minerals (not classified further)
244	Production and initial processing of non-ferrous metals
245	Foundries
251	Steel and light metal construction
252	Production of metal tanks and containers; manufacture of central heating radiators and boilers
253	Production of steam generators, excluding central heating boilers
254	Production of weapons and ammunition
255	Production of forging, pressing, drawing, stamping, rolled ring and powder metallurgy products
256	Surface finishing and heat treatment; mechanics (not specified elsewhere)
257	Production of cutlery, tools, locks and mountings of base metal
259	Production of other fabricated metal products
261	Production of electronic components and printed circuit boards
262	Production of computers and peripheral equipment
263	Production of telecommunications equipment and installations
264	Production of consumer electronics equipment
265	Production of measuring, control, navigating and similar instruments and appliances; manufacture of watches and clocks
266	Production of irradiation, electrotherapy and electro-medical equipment
267	Production of optical instruments and photographic equipment
268	Production of magnetic and optical data carriers
271	Production of electric motors, generators, transformers and electricity distribution and control equipment
272	Production of batteries and accumulators
273	Production of cables and electrical installation material
274	Production of electric lamps and lighting equipment
275	Production of household appliances
279	Production of other electrical equipment (not classified further)
281	Production of general-purpose machinery
282	Production of other general-purpose machinery
283	Production of agricultural and forestry machinery
284	Production of tool machines
289	Production of machines for other defined industries

BKZ	ECONOMIC ACTIVITIES
291	Production of motor vehicles and their engines
292	Production of coachworks, bodyworks and trailers
293	Production of parts and accessories for motor vehicles
301	Ship and boat building
302	Rail vehicle construction
303	Aerospace production
304	Production of military combat vehicles
309	Production of transport equipment (not classified further)
310	Production of furniture
321	Production of coins, jewellery and related articles
322	Production of musical instruments
323	Production of sports equipment
324	Production of toys
325	Production of medical and dental instruments and materials
329	Production of articles (not classified further)
331	Repair of fabricated metal products, machinery and equipment
332	Installation of machinery and equipment (not classified further)
D	**Power supply**
351	Electricity supply
352	Gas supply
353	Heat and cold supply
E	**Water supply; sewerage and waste management and environmental remediation activities**
360	Water Supply
370	Waste water disposal
381	Waste collection
382	Waste treatment and disposal
383	Recovery
390	Pollution removal and other disposal
F	**Construction**
411	Development of properties; building project organisers
412	Construction of buildings
421	Construction of roads and railway lines
422	Civil engineering and construction of sewage treatment plants
429	Other civil engineering
431	Demolition work and preparatory construction-site work
432	Building installations
433	Other development
439	Other specialised construction activities
G	**Wholesale and retail trade; repair of motor vehicles**
451	Trade in motor vehicles
452	Maintenance and repair of motor vehicles
453	Trading in motor vehicle components and accessories
454	Sale, maintenance and repair of motorcycles and related parts and accessories
461	Trade brokerage
462	Wholesale of agricultural raw materials and live animals
463	Wholesale of food, beverages and tobacco
464	Wholesale of consumer items and goods for consumption
465	Wholesale of IT and communication technology equipment
466	Wholesale of other machinery, equipment and supplies
467	Other wholesale trade
469	Wholesale without a pronounced focus
471	Retail sale of goods of various types (in salerooms)
472	Retail sale of food, beverages and tobacco products (in salerooms)
473	Retail sale of automotive fuel (service stations)
474	Retail sale of IT and communication technology equipment (in salerooms)
475	Retail sale of other household appliances, textiles, do-it-yourself and furnishing supplies (in salerooms)
476	Retail sale of publishing products, sports equipment and toys (in salerooms)
477	Retail sale of other goods (in salerooms)
478	Retail at stalls and markets
479	Retail sale, not in salerooms, stalls or markets
H	**Transportation and storage**
491	Long-distance passenger transport by rail
492	Carriage of goods by rail
493	Other land passenger transport

BKZ	ECONOMIC ACTIVITIES
494	Freight transport by road, relocation services
495	Transport in long-distance pipelines
501	Passenger maritime and coastal water transport
502	Sea and coastal water transport of goods
503	Passenger transport by inland waterway
504	Inland waterway transport of goods
511	Passenger transport by air
512	Aerospace transport of goods
521	Warehousing
522	Provision of other service activities for transport and traffic
531	Postal services provided by universal service providers
532	Other postal, courier and express services
I	**Accommodation and gastronomy**
551	Hotels, inns and guest houses
552	Holiday accommodation and similar establishments
553	Camp-sites
559	Other places of accommodation
561	Restaurants, pubs, snack bars, cafés, ice cream parlours, etc.
562	Caterers and other food service activities
563	Sale of beverages
Y	**Information and communication**
581	Publishing of books and periodicals; other publishing (excl. software)
582	Software publishing
591	Motion picture and television programme production, their distribution and sale, cinematographic activities
592	Recording studios; radio production; publishing of recorded music and musical works
601	Radio broadcasters
602	Television broadcasters
611	Wired telecommunications
612	Wireless telecommunications
613	Satellite telecommunications
619	Other telecommunications
620	Provision of information technology services
631	Data processing, hosting and related activities; web portals
639	Other information service activities
K	**Financial and insurance services**
641	Central banks and credit institutions
642	Holding companies
643	Fiduciary and other funds and similar financial institutions
649	Other financial institutions
651	Insurance companies
652	Reinsurance companies
653	Pension funds and pension funds
661	Activities related to financial services
662	Activities related to insurance services and pension funding
663	Fund Management
L	**Real estate and housing**
681	Purchase and sale of own real estate, buildings and apartments
682	Renting and letting of own or leased land, buildings and apartments
683	Procurement and management of real estate, buildings and apartments for third parties
M	**Professional, scientific and technical activities**
691	Legal advice
692	Auditing and tax consultancy; accounting
701	Administration and management of companies and businesses
702	Public relations and management consulting
711	Architecture and engineering offices
712	Technical, physical and chemical analyses
721	Research and development in the natural sciences, engineering, agricultural sciences and medicine
731	Advertising
732	Market and opinion research
722	Research and development in the fields of law, economics, social sciences, linguistics, cultural studies and humanities
741	Studios for textile, jewellery, graphics, etc. design
742	Photography and photo laboratories
743	Translating and interpreting

BKZ	ECONOMIC ACTIVITIES
749	Other professional, scientific and technical activities not mentioned elsewhere
750	Veterinary services
N	**Provision of other economic services**
771	Renting out of motor vehicles
772	Renting out of consumer goods
773	Renting out of machinery, equipment and other moveable property
774	Leasing of non-financial intangible assets (excluding copyrights)
781	Placement service
782	Temporary secondment of labour
783	Other secondment of labour
791	Travel agencies and tour operators
799	Other reservation service activities
801	Private security services
802	Security services using monitoring and alarm systems
803	Detective agencies
811	Janitorial services
812	Cleaning of buildings, roads and means of transport
813	Gardening, landscaping and other gardening activities
821	Secretarial and typing services, copy shops
822	Call centres
823	Trade fair, exhibition and congress organisers
829	Other economic service activities for companies and individuals
O	**Administration, defence, social security**
841	Public administration
842	Foreign affairs, defence, justice, public security and order
843	Social security coverage
P	**Education and teaching**
851	Kindergartens and preschools
852	Elementary schools
853	Secondary schools
854	Tertiary and post-secondary, non-tertiary education
855	Other education
856	Provision of services for education
Q	**Healthcare and welfare**
861	Hospitals
862	Doctors' and dentists' surgeries
869	Health care not mentioned elsewhere
871	Nursing homes
872	Inpatient facilities for psychosocial care, combating addiction, etc.
873	Old people's homes; old people's and disabled people's homes
879	Other homes (excluding recreation and holiday homes)
881	Social care for the elderly and the disabled
889	Other social and welfare work (excluding homes)
R	**Art, entertainment and recreation**
900	Creative, artistic and entertaining activities
910	Libraries, archives, museums, botanical and zoological gardens
920	Gambling, betting and lottery
931	Provision of sports services
932	Other amusement and recreation service activities
S	**Other service activities**
941	Business and employers' associations, professional organisations
942	Employee associations
949	Ecclesiastic associations; political parties and other bodies representing interests and associations not mentioned elsewhere
951	Repair of computers and telecommunications equipment
952	Repair of consumer goods
960	Other personal service activities
D	**Private households, activities by private households**
970	Private households with domestic staff
981	Manufacture of goods by private households for own final use without a pronounced focus
982	Provision of services by private households for their own use without a pronounced focus
U	**Ex-territorial organisations and bodies**
990	Ex-territorial organisations and bodies

13 Taxpayers who are **no longer under accounting obligation** due to falling below the turnover limits of § 189 of the Austrian Commercial Code and receive income from commercial operations (§ 23) may apply to continue the profit determination in accordance with § 5 of the Austrian Income Tax Act 1988. The application is to be made for the year in which the business year ends for which for the first time there is no accounting obligation. The application shall be binding on the taxable person until revoked, in which case the appropriate box must be ticked. It automatically expires upon re-entering the accounting obligation pursuant to § 189 of the Austrian Commercial Code.

14 The profit determination in the context of a determination procedure is to be carried out for one **business year**. Therefore, please indicate the start and end of the business year to the day. Only if a business year ends in the same calendar year, you also enter the start and end of the second business year. In this case, at any rate a **Supplement E6a-1** must be completed and the profit/loss for each business year indicated.

15 Ad "Profit determination"

15.1 In the case of **partnerships preparing balance sheets** with profit determination in accordance with **§ 5**, the income and expenses to be recognised here must correspond to the recognised amounts of the profit and loss statement in the company balance sheet. Any corrections are to be made in "4. Corrections and additions to profit/loss (fiscal increase/decrease calculation)"

15.2 In the case of **partnerships preparing balance sheets** with profit determination in accordance with **§ 4 I**, the income and expenses to be recognised here may correspond to the recognised amounts of the profit and loss statement of a company balance sheet. Possible corrections in this case are to be made in "4. Corrections and additions to profit/loss (fiscal increase/decrease calculation)" However, all income and expenses can alternatively be recognised here at the tax-relevant amounts. In this case, no further corrections need to be made.

15.3 For partnerships with **income-expenditure accounting**, there are the following two possibilities for registration in "3. Profit determination":

15.3.1 As a rule, the operating revenue and operating expenses to be entered here are to be reported at the **tax-relevant** amounts. Corrections in "4. Corrections and additions to profit/loss (fiscal increase/decrease calculation)" are not to be made.

15.3.2 If in the case of income-expenditure accounting the operating revenue and operating expenses to be entered here are not entered to the tax-relevant amounts, the necessary corrections are then made under "4. Corrections and additions to profit/loss (fiscal increase/decrease calculation)"

15.4 If and insofar as the accounts of the **Austrian Standardised Accounts Framework (EKR)** are concerned, **partnerships preparing balance sheets** have to take into account only the expenses/income or balance sheet items to be reported on the explicitly designated accounts under the corresponding codes. Income that is not to be reported in the special codes provided for this purpose is to be entered in code **9090**. Expenses that are not to be reported in the special codes provided for this purpose are to be entered in code **9230**.

15.5 Partnerships with **income-expenditure accounting** must enter operating revenue that is not to be entered in the special codes provided for this purpose in code **9090**. Operating expenses that are not to be recorded in the special codes provided for this purpose are to be entered in code **9230**.

15.6 Income/operating revenue and expenses/operating expenses must as a rule be entered **without leading signs**. Thus, income/operating revenue is reported as positive values, and expenses/operating expenses are as negative values. If a negative value results for a code among the revenue/operating revenue or expenses/operating expenses (e.g. for expenses/revenue adjustments), respectively, a negative leading sign ("–") is to be entered for the corresponding code.

Ad „Income/Operating revenue"

16 Code 9040: Proceeds (revenues from goods and services) without § 109a of the Austrian Income Tax Act 1988 – EKR 40 – 44 – including internal consumption (withdrawal value of current assets)

16.1 In code **9040**, sales revenues generated by **partnerships preparing balance sheets** (excluding VAT, EKR 400 – 439, see Note 16.5) after deduction of sales reductions (EKR 440 – 449, see Note 16.6) are to be entered. Domestic revenues recorded in a notification pursuant to § 109a are to be entered only in code **9050**.

16.2 In the case of **income-expenditure accounting**, domestic (accrued) sales revenues (see Note 16.5) after deduction of sales reductions (see Note 16.6) are to be entered here. Domestic revenues recorded in a notification pursuant to § 109a are to be entered only in code **9050**. Income-expenditure calculators can choose the gross or net method for VAT (cf. in particular Rz 744 to 762 of the Austrian Income Tax Guidelines 2000).

16.3 With the **VAT gross system**, the VAT invoiced by an income-expenditure calculator is to be treated as operating revenue at the time it is collected and as operating expense at the time it is remitted to the tax office. The input tax amounts invoiced to the income-expenditure calculator by its upstream suppliers are operating expenses at the time of payment and operating revenue at the time of offsetting with the tax office. Operating revenue and operating expenses are therefore to be recognised including turnover tax (**gross VAT reporting**, see below). In the case of acquisition (production) of assets requiring capitalisation, the deductible input tax is to be separated from the acquisition (production) costs, which are to be deducted by way of depreciation for wear. The sum of the VAT payment charges paid in the assessment year is an operating expense (to be entered in code **9230**), the sum of any VAT credits constitutes an operating revenue to be entered in code **9090**. If both VAT payment charges and VAT credits result, a balancing must be carried out; if there is a credit excess, this is to be entered in code **9090**; if there is a payment charge excess, this is to be entered in code **9230**. In the case of the VAT gross system, there are **two** reporting options, namely the

- **gross reporting** (see above) and the
- **net reporting** of the operating revenue/expenditure with separate VAT statement (see Note 22).

16.4 In the **VAT net system**, VAT, which is treated as a transit item (§ 4 III 3), is recognised neither on the revenue nor on the expenditure side. All revenue and expenditure eligible for input tax deduction are therefore recognised net only. The net system is permitted only for those taxpayers for whom the VAT can as a rule be of a transitory nature. Net settlement is therefore not possible:

- In cases in which an entrepreneur makes sales that are VAT-exempt without input tax relief and related to non-deductible input taxes (e.g. small entrepreneurs with annual sales of less than € 30,000, § 6 I 27 of the Austrian Value Added Tax Act 1994).
- In cases where a flat-rate input tax rate is claimed, except if the flat-rate input tax rate is claimed in accordance with § 14 I 1 of the Austrian Value Added Tax Act 1994 and the flat-rate taxation in accordance with § 17 I to III of the Austrian Income Tax Act 1988 (code **9230**) is applied at the same time.

Ancillary fees of the VAT, such as late-payment surcharges and deferral interest, remain deductible as operating expenses even under the net method.

If the input tax is deductible, fixed assets are to be included in the list of fixed assets (§ 7 III) at their net values. If input tax is not deductible, it must be treated as part of the acquisition (production) costs. Operating expenses represent only the net amounts spent; VAT on goods in circulation is not to be recognised. If the VAT has no transitory character (e.g. in the context of passenger cars), it is to be deducted from the expenditure as an operating expense. All revenue and expense items resulting from the VAT settlement with the tax office are not considered: Sales tax credits are not operating revenue, and the payments made to the tax office are not operating expenses. As in the case of the gross system, withdrawals are to be recognised net. It is not necessary to adjust the payment charge for the internal consumption VAT contained therein.

16.5 Sales revenues are the proceeds typical for the normal business activity of the entrepreneur from the sale and surrender of use of products and goods and services. In addition, this item especially includes proceeds from the operations-typical sale of scrap, waste products, raw materials and consumables no longer required, and income from participations in consortia (e.g. construction industry). Rental and leasing income, licenses and commissions are to be recorded here only if they are typical for the operation. If the proceeds are occasional and of low amount, they are to be reported in code **9090**.

16.6 Sales reductions are in particular customer discounts, sales remunerations, volume discounts, bonuses, loyalty bonuses and refunds for returned goods and defects.

17 Code 9050: Operating revenue/income for which a notification in accordance with § 109a of the Austrian Income Tax Act 1988 was issued, EKR 40 – 44

In this item, income/operating revenue to be reported in the respective assessment, for which a notification according to § 109a was issued, is to be entered. The separate statement results from § 4 of the Ordinance BGBl II № 417/2001 adopted under § 109a. Please refer to Rz 8300 et seq of the Austrian Income Tax Guidelines 2000 for information on the disclosure obligation pursuant to § 109a of the Austrian Income Tax Act 1988 as well as to the "Tax Book" (to be found at https://www.bmf.gv.at/services/publikationen).

18 Code 9060: Capital yields/withdrawal values of fixed assets, EKR 460 – 462 before any divestiture to 463 – 465 or 783, respectively

18.1 In this case, **partnerships preparing balance sheets** must enter proceeds from the disposal of fixed assets (EKR 460 – 462), with the exception of financial assets, entered on EKR 463 – 465 or EKR 783, respectively, before any divestiture.

18.2 In case of **income-expenditure accounting,** operating revenues (sales, withdrawals) from the disposal (sale, withdrawal) of fixed assets are to be entered here.

18.3 In code **9060**, only proceeds from **sales** or the **withdrawal** of fixed assets are to be reported. Insurance compensations are to be entered in code **9090**.

18.4 Withdrawals of fixed assets are to be recognised at the relevant withdrawal value. The withdrawal value under corporate law may deviate from the fiscal one. If the tax-relevant amount is not already recorded here, any corrections must be made under Item 4.

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

19.1 This code is to be filled in only by **balance sheet preparers**. Here internally produced and capitalised assets for self-produced tangible assets and for starting up and expanding a business are to be entered.

19.2 In the case of **income-expenditure accounting**, self-produced tangible fixed assets must be included in the list of fixed assets at production costs (§ 7 III), unless – in the case of low-value assets (§ 13, see code **9130** and Rz 3893 of the Austrian Income Tax Guidelines 2000) – immediate deduction is opted for. The operating expenses for codes **9100** to **9230** are to be corrected according to the production costs. In the case of depreciable fixed assets, the production costs are to be deducted by way of depreciation for wear and tear (depreciation for wear, § 7). The depreciation for wear is to be reported in code **9130**.

20 Code 9080: Inventory Changes, EKR 450 – 457

20.1 This code is to be filled in **only** by **partnerships preparing balance sheets**. These must cover here changes in the inventory of finished goods and work in progress as well as of services not yet billable. Inventory increases must be indicated without a sign, inventory decreases with a negative leading sign.

20.2 Not to be reported here are value changes due to unusual depreciation (cf. § 231 II 7 b Austrian Commercial Code, to be reported in code **9140**) and inventory changes with extraordinary character (cf. § 233 of the Austrian Commercial Code, to be reported in code **9090** as "extraordinary yields" or code **9230** as "extraordinary expenses", respectively).

20.3 Income-expenditure calculators do not have to report inventory changes.

21 Code 9090: Other income/operating revenue (including financial yields)

21.1 Partnerships preparing balance sheetsmust enter here the total of all yields accrued during the business year with the exception of those to be reported in codes

9040 to **9080**. This includes in particular income from the write-up to fixed assets (EKR 466 – 467, 820), income from the reversal of provisions (EKR 470 – 479), other operating income (EKR 480 – 499) and all financial yields (EKR 8). Other operating income (EKR 480 – 499) includes all income not booked in account groups 40 – 47, in particular proceeds from transactions that may not be stated as sales revenues, payments received on receivables previously booked out, debt remissions, income from the reversal of bad debt allowances, exchange gains on foreign currency transactions, income from social security funds, income from atypical transactions and services (e.g. revenue from apartment rentals and from atypical leasehold and license agreements), compensations, booking out of unpaid and time-barred liabilities, grants from public funds, if and insofar as they cannot be deducted from acquisition or production costs in the case of investments.

21.2 Income-expenditure calculators must enter here the total of all operating revenues (accrued in the calendar year) with the exception of the operating revenues to be entered in codes **9040**, **9050** and **9060**. For the treatment of the VAT, see Notes 16.3 and 16.4.

21.3 Domestic **capital yields** eligible for final taxation and foreign capital yields that can be taxed at the special tax rate must be reported in code **9090**. The same is applicable to realised increases in the value of operating capital assets and income from derivatives to which the special tax rate is applicable.

21.4 Capital gains/losses concerning **business premises**, which can be taxed at the special tax rate, are to be recorded in the result of the partnership to be established. In such a case, Supplement E 6a-1 must additionally be used.

22 Code 9093: VAT collected in case of VAT gross system

This code may be filled in only in case of income-expenditure accounting in case of the VAT gross system if the **net reporting** of operating revenue/expenditure with a separate VAT statement is opted for (see Notes 16.3). In this case, the operating revenue and operating expenses are recognised net (excluding VAT) in the relevant codes. The collected VAT is entered in code **9093**, the spent (deductible or non-deductible) VAT in code **9233**. The VAT payment charge is entered in code **9230**, and any VAT credit is entered in code **9090**.

Ad „Income/Operating revenue“

23 Code 9100: Goods, raw materials, auxiliary materials EKR 500 – 539, 580

23.1 Partnerships preparing balance sheets have to report here:
- Goods used (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 deduction of cash discount income on cost of materials (EKR 580).

23.2 In the case of **income-expenditure accounting**, here the following are to be reported:
- Expenditure for the purchase of goods,
- expenditure for raw materials,
- expenditure for finished and individual parts,
- expenditure for auxiliary materials,
- after deduction of cash discount income on the purchase of material.

This expenditure is separately deductible within the framework of the statutory basic flat rate (§ 17 I).
If and insofar as the prohibition to deduct current assets pursuant to § 4 III applies, no entry may be made.

23.3 Consumption (purchasing) of consumables (EKR 540 – 549), consumption (purchasing) of tools and other production aids (EKR 550 – 559) and consumption (purchasing) of fuels, energy and water (EKR 560 – 569) is to be reported in code **9230**.

24 Code 9110: Personnel provided (external personnel), EKR 570 – 579, 581, 750 – 753

24.1 Partnerships preparing balance sheets must enter expenses here that are reported on the accounts of the "Other purchased production services" (EKR 570 – 579, see Note 23.3) after deduction of cash discounts on other purchased manufacturing services (EKR 81) and "Expenses for the provision of personal" (EKR 750 – 753).

24.2 In the case of **income-expenditure accounting**, the expenses for external personnel are to be entered here. Notes 24.3 and 24.4 apply mutatis mutandis. Not to be entered are those expenditures for external personnel that are to be "capitalised" as production costs of fixed assets (to be included in the list of fixed assets pursuant to § 7 III).

24.3 "Other purchased production services" (for balance sheet preparers: EKR 570 – 579) are all other purchased manufacturing services, in particular expenses/expenditure for material processing, material refinement, other services and provision of personnel in the manufacturing area.

24.4 „Expenses for the provision of personnel" (for balance sheet preparers: EKR 750 – 753) includes expenses of account 750 EKR. Commissions to third parties (for balance sheet preparers: EKR 754 – 757) must be reported in code **9190**.

25 Code 9120: Personnel expenses ("own personnel"), EKR 60 – 68

25.1 Partnerships preparing balance sheets and **income-expenditure calculators** must report here expenditure/expenses for wages and salaries and non-wage labour costs, namely:
- Wages (for balance sheet preparers: EKR 600 – 619, see Note 25.2),
- Salaries (for balance sheet preparers: EKR 620 – 639, see Note 25.3),
- Expenses for severance payments (for balance sheet preparers: EKR 640 – 644, see Note 25.4),
- Expenses for old-age pensions (for balance sheet preparers: EKR 645 – 649, see Note 25.4),
- Statutory social expenditure for workers (for balance sheet preparers: EKR 650 – 655, see Note 25.5),
- Statutory social expenditure for salaried employees (for balance sheet preparers: EKR 656 – 659, see Note 25.5),
- Wage-related taxes and compulsory contributions (for balance sheet preparers: EKR 660 – 665, see Note 25.6),
- Salary-related taxes and compulsory contributions (for balance sheet preparers: EKR 666 – 669, see Note 25.6), and
- other social-security expenses (for balance sheet preparers: EKR 670 – 689, see Note 25.7).

25.2 As **"Wages"** (for balance sheet preparers: EKR 600 – 619), the following items are to be reported: basic wages (production wages, auxiliary wages, remuneration of temporary workers), bonuses to wage earners (overtime bonuses, holiday pay, shift bonuses, hardship allowances, bonuses and commissions) and non-performance wages (holiday wages, holiday pay, sick pay, other absence wages, holiday and Christmas bonuses and other special payments). Wage tax and social-insurance contributions attributable to wages that are exceptionally not withheld by employees (e.g. additional claims in connection with wage tax audits that cannot be passed on to the employee) are also to be reported here. Contributions to a staff pension fund are also to be mentioned here.

25.3 As **"Salaries"** (for balance sheet preparers: EKR 620 – 639), basic salaries, overtime bonuses, holiday replacements, bonuses and commissions, 13th and 14th monthly salary and other special payments are reported. The same applies to anniversary bonuses, voluntary travel cost and accommodation allowances and benefits in kind. Wage tax amounts attributable to salaries that are exceptionally not withheld by employees (e.g. subsequent claims arising from wage tax audits that cannot be passed on to the employee) are also to be recorded here. Contributions to a staff pension fund are also to be listed here. Wages and salaries do not include travel allowances and daily and accommodation allowances paid to compensate the employee for expenses incurred on business trips. These are to be reported in code **9160**.

25.4 As **"expenses for severance payments"** (for balance sheet preparers: EKR 640 – 644) or **"expenses for old-age pensions"** (for balance sheet preparers: EKR 645 – 649), respectively, both severance and pension payments as well as changes in severance payment provisions and – only for balance sheet preparers – changes in pension provisions are to be reported; and so are contributions to pension funds and other contributions for old-age pensions.

25.5 As **"statutory social expenditure for workers"** (for balance sheet preparers: EKR 650 – 655) and **"statutory social expenditure for salaried employees"** (for balance sheet preparers: EKR 656 – 659), all social-security expenses payable to the social insurance providers (employer contributions) including the contribution according to the Austrian Continued Remuneration Act (*Entgeltfortzahlungsgesetz*) and the housing subsidy contribution are to be reported.

25.6 As **"wage-related taxes and compulsory contributions"** (for balance sheet preparers: EKR 660 – 665) and **"salary-related taxes and compulsory contributions"** (for balance sheet preparers: EKR 666 – 669), all other remuneration-related taxes and compulsory contributions are to be reported. These include in particular the employer's contribution to the compensation fund for family allowances, the supplement to the employer's contribution, the municipal tax and the Vienna employer's levy (subway levy).

If the municipal tax and Vienna employer's levy (subway levy) are reported by partnerships preparing balance sheets as "other taxes" (EKR 710 – 719), they are to be entered in code **9230**.

25.7 As **"other social-security expenses"** (for balance sheet preparers: EKR 670 – 689), voluntary social-security expenses that are not attributable to the individual employee as part of the remuneration, such as contributions to the works council fund and support funds (not pension funds), expenses for company outings, for Christmas gifts to employees and for various company events for the benefit of the workforce, are to be reported. Expenses caused by social facilities are to be recorded under the codes to be assigned to the corresponding expense types (e.g. the material consumption of the plant kitchen in code **9100**, the maintenance of the kitchen rooms in code **9150**).

26 Code 9130: Depreciation on fixed assets (e.g. depreciation for wear, low-value assets), EKR 700 – 708, unless to be reported in code 9134 and/or 9135

26.1 Balance sheet preparers must enter (scheduled and non-scheduled) depreciation of fixed assets, with the exception of financial assets (EKR 701 – 708), that are not to be entered in code **9134** and/or **9135.** In addition, depreciation on capitalised expenses for the starting and expansion of a business (EKR 700) are also to be entered here. Code **9130** shows both the allocation and the reversal of a valuation reserve (e.g. low-value assets, investment grants, transfers of § 12 reserves to the valuation reserve, etc.).

26.2 In the case of **income-expenditure accounting**, depreciation on fixed assets (§§ 7, 8) including premature and accelerated depreciation as well as immediately deducted low-value fixed assets (§ 13) are to be entered here. Low-value assets are those whose acquisition or production costs do not exceed € 800 per individual case. They can either be deducted by depreciation for wear or written off immediately (option).

27 Declining-balance depreciation for wear (§ 7 Ia)

The depreciation for wear can also be made in **decreasing** annual amounts according to an unchangeable percentage of a maximum of 30% (**declining-balance depreciation for wear**). This percentage rate is applied to the respective book value (net book value) and results in the respective annual depreciation for wear. Certain assets (e.g. buildings, motor vehicles that are not emission-free, used assets, facilities that serve to extract, transport or store fossil fuels and facilities that directly use fossil fuels, see § 7 Ia 1) are excluded from declining depreciation for wear. Any corrections are to be made in code **9268**.

28 Accelerated depreciation of buildings (§ 8 Ia)

Without evidence of the useful life, the depreciation for wear for **buildings** created or purchased after 30-JUN-2020 amounts to the following:

- In the year of initial consideration, a maximum of **7.5%**. Deviating from this, the depreciation for wear and tear for buildings used for residential purposes amounts to a maximum of **4.5%**.
- In the following year, the depreciation for wear amounts to a maximum of **5%**, and for buildings used for residential purposes to a maximum of **3%**.

The rule on semi-annual depreciation for wear is not applicable. Any corrections are to be made in code **9269**.

29 Code 9140: Depreciation of current assets if and insofar as these exceed the usual depreciation in the company – EKR 709 – and value adjustments for receivables

This code is to be filled in **only** by **partnerships preparing balance sheets**. These must enter here – both in the case of balance sheet accounting in accordance with § 5 and in the case of balance sheet accounting in accordance with § 4 I – depreciation of current assets if and insofar as this exceeds the depreciation customary in the company (EKR 709, § 231 II 7 of the Austrian Commercial Code). Allocations of value adjustments to receivables (EKR 208, 209, 213, 214, 218, 219, 223, 224, 228, 229, 248, 249) are also to be entered here. Divestitures are to be entered in code **9090**. For correction of the entry, see code **9250**.

30 Code 9142: Allocation to/divestiture of flat-rate value adjustments to receivables.

For business years beginning after 31-DEC-2020, a flat-rate value adjustment of receivables is permissible under the conditions of § 201 II 7 of the UGB pursuant to § 6 II a of the Austrian Income Tax Act 1988. Accordingly, **the determination of a value** that is possible only on the basis of estimates **must be** based on prudent judgement (principle of reliable estimation). If statistically determinable empirical values from similar circumstances are available, these must be taken into account in the prudent assessment in accordance with § 201 II 7 of the UGB (e.g. statistically determined probabilities of default), i.e. in this case they must be included in the estimate.

31 Code 9150: Repair and maintenance costs (maintenance expenditure) for buildings, EKR 72

31.1 In the case of **partnerships preparing balance sheets** and for **income-expenditure accounting**, expenses/expenditure for maintenance (see Note 27.2), if and insofar as this concerns **buildings**, are to be entered here. Maintenance of other assets as well as expenses for cleaning by third parties, disposal and lighting are not to be entered here.

31.2 "Maintenance" comprises all expenses that serve to maintain the usability of a building (maintenance expense) and that do not lead to a change in the nature of the building (in this case, there would be production expenditure requiring capitalisation). Preservation expenses are to be entered here without differentiation between "Maintenance expenses sensu stricto" and "Repair expenses" (cf. § 4 VII for the term). Repair expenses pursuant to § 4 VII are to be reported with the one-fifteenth amount attributable to the business year. (see Rz 1398 and Rz 6460 et seq of the Austrian Income Tax Guidelines 2000).

32 Code 9160: Travel incl. mileage allowance and per-diems (excluding actual vehicle costs), EKR 734 – 737

32.1 In case of **balance sheet accounting** and **income-expenditure accounting**, trip costs and travel expenses (in case of accounting: EKR 734 – 735), daily allowances and accommodation allowances (for accounting: EKR 736 – 737) and mileage allowances (for passenger cars: € 0.42 per kilometre) are to be entered here. Actual vehicle costs are to be entered in code **9170**.

32.2 In addition to expenses paid directly to tour operators, trip costs and travel expenses (in case of balance sheet accounting: EKR 734 – 735) also include travel costs (per-diem allowances and accommodation allowances) and reimbursements for travel expenses, if and insofar as they are reimbursements for actual expenses (e.g. mileage allowances).

32.3 Travel expenses include the flat-rate additional cost of meals (per-diem allowance: € 26.40 per day, less than 12 hours € 2.20 per hour or part thereof, if the journey lasts more than 3 hours) as well as the costs of overnight accommodation, which can be asserted either at a flat rate (€ 15 per overnight stay including the cost of breakfast) or in the amount to be substantiated (§ 4 V in conjunction with § 26 IV).

32.4 If the basic flat rate is used, travel expenses are deductible separately, if and insofar as they are offset by reimbursement of costs to the same amount.

33 Code 9170: Vehicle costs (excluding depreciation for wear, leasing and mileage allowance), EKR 732 – 733

In the case of **balance sheet accounting** and **income-expenditure accounting**, the **actual** vehicle costs are (in the case of balance sheet accounting: EKR 732 – 733) are to be entered here. If the vehicle costs are asserted via the mileage allowance (see Rz 1612 et seq of the Austrian Income Tax Guidelines 2000), this is to be entered in code **9160**. Actual motor vehicle costs include maintenance expenses for motor vehicles, consumables, repair and service costs, insurance premiums and taxes. This does not include depreciation for wear (to be entered in code **9130**) and leasing expenses/expenditure (to be entered in code **9180**).

34 Code 9180: Rental and lease expenses, leasing, EKR 740 – 743, 744 – 747

In the case of **balance sheet accounting** and **income-expenditure accounting**, the costs or expenses, respectively, for rentals and leaseholds (for balance sheet preparers: EKR 740 – 743) and leasing (for balance sheet preparers: EKR 744 – 747) are to be entered here. Expenses/expenditure for heating, lighting, cleaning of rented rooms and operating costs are not to be entered here. It should be noted that, pursuant to § 4 VI, advance payments of rental costs from income-expenditure calculators are to be apportioned evenly over the period of the advance payment if they do not concern only the current and the following calendar year (cf. Rz 1381 et seq of the Austrian Income Tax Guidelines 2000). In such cases, the annual amount attributable to the business year is to be reported here.

35 Code 9190: Commissions to third parties, license fees, EKR 754 – 757, 748 – 749

In case of **balance sheet accounting** and **income-expenditure accounting**, in this expenses/costs for commissions to third parties (for balance sheet preparers: EKR 754 – 757) as well as license fees (EKR 748 – 749) are to be reported.

36 Code 9200: Advertising and representation expenses, donations, gratuities, EKR 765 – 769

In case of **balance sheet accounting** and **income-expenditure accounting**, the costs/expenses for advertising and representation (for balance sheet preparers: EKR 765 – 768) as well as donations and gratuities (for balance sheet preparers: EKR 769) are to be entered here. If and insofar as the amounts recognised under corporate law or the entry in this code, respectively, do not correspond to the value permissible for tax purposes (e.g. § 20 I 3, see Rz 4808 Austrian Income Tax Guidelines 2000), the corrections must be made in code **9280.**

37 Code 9210: Book value of disposed assets, EKR 782

In case of **balance sheet accounting** and **income-expenditure accounting**, the sum of the book values of assets disposed of in the business year, with the exception of financial assets (for balance sheet accounting EKR 782), are to be entered here. Unscheduled or extraordinary depreciation (e.g. as a result of the destruction of a fixed asset, cf. § 8 IV) is to be entered in code **9130**.

38 Code 9220: Interest and similar expenses, EKR 828 – 834

38.1 In case of **balance sheet accounting**, the following must be reported here: Interest on operating loans, bank loans, mortgage loans, disbursement and commitment commissions for a loan or credit line, overdraft commissions, freight deferral fees, depreciation on the capitalised disagio, borrowing costs, discounts on bills of exchange where these are not offset by discountable income, and separately invoiced interest on supplier credits. If a disagio (damnum) was not capitalised (§ 198 VII of the Austrian Commercial Code), or if borrowing costs were immediately deducted under corporate law, the procedure (correction) in accordance with § 6 III of the Austrian Commercial Code must be applied to ratio **9290**.

38.2 In the case of **income-expenditure accounting**, expenditure relating to expenses referred to above is to be entered here. It is to be noted that pursuant to § 4 VI, advance payments of borrowing costs are to be apportioned uniformly over the period of the advance payment if they relate not only to the current and the following calendar year (see Rz 1381 et seq of the Austrian Income Tax Guidelines 2000). In such cases, the annual amount attributable to the business year is to be reported here. A disagio (damnum) is subject to § 4 VI in case of income-expenditure calculators. If only borrowing costs are incurred that exceed the tax-exempt amount of € 900 (Rz 2464 Austrian Income Tax Guidelines 2000), § 6 III must be applied to the income-expenditure calculator as well (mandatory apportionment over the loan term, Rz 2463 Austrian Income Tax Guidelines 2000). In such cases, the annual amount attributable to the business year is also to be reported here.

39 The profit shares of typical silent partners to be considered as operating expenses are to be entered here, which are to be reported as income from capital assets (code **856** of Supplement E 1kv) or – in the case of an operating participation – in code **9090**.

40 Code 9243, 9244, 9245, 9246 (corporate donations)

In codes **9243** to **9246**, donations are to be entered that have been made from the business assets to the recipients named in the respective codes.

41 In code **9261**, contributions to the assets of a non-profit foundation are to be entered (§ 4b).

42 In code **9262** , contributions to the Innovation Foundation for Education and its subfoundations (§ 4 c) are to be entered.

43 Code 9230: Other expenditure/operating expenses (excluding lump-sum operating expenditure), changes in capital – balance

43.1 In case of **balance sheet accounting** and **income-expenditure accounting**, the total of all operating expenses incurred or outflow of funds occurred in the calendar year are to be entered here, with the exception of those which are to be reported in the special identification numbers. In the case of a **partial flat-rate taxation**, the operating expense flat rate amount claimed are to be entered in code **9259** and not here.

44 Code 9233: VAT paid for deliveries and services in case of the VAT gross system

See explanations to Note 21.

45 Code 9259: Flat-rate operating expenses

If flat-rate taxation is claimed, the lump sum for operating expenses is to be entered here. **No** entry is to be made here in case of assertion of an **agricultural and forestry flat rate**. In such cases, Supplement E 1c (individual entrepreneur) must be used. **No** entry is to be made here either in cases where the **commercial full flat-rate taxation** for food and general merchandise retail is used; in this case, only Item 6 of the declaration is to be filled in.

Income-expenditure calculators that make use of the possibility of the **basic flat rate** in accordance with § 17 I must enter here the operating expense flat rate of 6% or 12%, respectively. If you use the basic flat rate, you can only enter codes **9100**, **9110**, **9120, 9160** and **9225** in addition to code **9230**.

The basic flat rate is applicable if the turnover in the previous year did not exceed € 220,000. In case of flat-rate taxation, the operating revenue is reported in full, but the operating expenses are deducted at a flat rate of 12% of the turnover. For the following income, the flat rate amounts to only 6% of the turnover: Professional or commercial income from a commercial or technical consultation, an activity within the meaning of § 22 II (e.g. managing directors of a limited company under Austrian law who participate substantially, supervisory board members) and income from writing, lecturing, scientific, teaching or educational activities.

Apart from the lump sum, only the following deductions may be made:

- Expenditures for the receipt of goods, raw materials, semi-finished products, auxiliary materials and ingredients (to be entered in code **9100**),
- expenditure for wages (including non-wage labour costs, to be entered in code **9120**),
- expenditure for third-party wages, if and insofar as these are directly included in services that form the business object of the company (e.g. contract manufacturing of goods, to be entered in code **9110**),
- social-insurance contributions (to be reported in code **9225**) and
- contributions to self-employment provision schemes (to be reported in code **9225**).
- travel expenses, if and insofar as they are offset by reimbursement of costs to the same amount (code **9160**); these travel expenses reduce the turnover relevant for the assessment of the lump sum.

All other operating expenses are covered by the lump-sum operating expense allowance. This applies, for example, to depreciation (§§ 7, 8 and 13), net book values of outgoing assets, borrowing costs, rentals and leaseholds, post and telephone, consumables (fuels), energy and water, advertising, legal and consultancy costs, commissions (except for quantity-dependent purchase commissions – see Rz 4117 Austrian Income Tax Guidelines 2000), office expenses, premiums for business insurance, operating taxes, maintenance, cleaning by third parties, motor vehicle costs, travel expenses (including daily and accommodation allowances) or gratuities.

If the **VAT net system** is opted for (see Note 15.4 above), neither the VAT owed on deliveries or other services nor the VAT paid to other entrepreneurs (input tax) nor a VAT payment charge is to be recognised. The operating expense flat rate is to be considered as a net figure. Irrespective of whether an input tax flat rate under § 14 I 1 Austrian Value Added Tax Act 1994 has been selected for the VAT or whether the actual input taxes have been recognised, no VAT may therefore be deducted from the operating expense flat rate.

For the **VAT gross system** (see Note 16.3), both the VAT owed for deliveries or other services (in code **9040** or **9050** or – in the case of VAT net reporting – in code **9093**) and the input tax paid to other entrepreneurs (in codes **9100** and, in the case of external services, possibly in code **9110** or – in the case of VAT net reporting – in code **9233**) must be considered. A VAT payment charge is to be entered in code **9230**, a VAT credit in code **9090**. Since the flat rate for operating expenses is to be regarded as a net amount,

- the input tax attributable to operating expenses "lump-summed" for income tax purposes,
- in the case of claiming the input tax flat rate pursuant to § 14 I 1 of the Austrian Value Added Tax Act 1994, the input tax flat rate, and
- input tax attributable to asset acquisitions.

are to be recognised separately as operating expense in code **9230**.

When the flat rate for athletes is claimed, the income not to be reported (67%) may not be excluded via code **9259**. See Note 9.

46 Profit/Loss (if no Supplement E 6a is to be attached)

If **no Supplement E 6a-1** is required, the profit/loss determined is to be transferred to Items 1b, 2b or 3b on Form E 6, possibly considering any changes pursuant to Item 4.

If a **Supplement E 6a-1** is required, the amount used to determine the fiscal profit/loss in Supplement E 6a-1 in the line "Share of profit/loss before consideration of the following codes" (line before code **9915**) is to be apportioned among the participants; the apportionment may **deviate from the stated participation ratio**.

47 Adjustments of current profit/loss (fiscal increase/decrease calculation)

47.1 In the case of **balance sheet accounting** in accordance with **§ 5**, the corrections to the amounts recognised under corporate law and other changes required to determine the correct fiscal profit must be made here.

Special operating revenue and expenditure are to be considered not here, but in Supplement E 6a-1.

Note that differing apportionments of revenues and expenditures (income and expenses) that are not to be reported as special operating revenue or special operating expenses in Supplement E 6a-1 may **not** be made in code **9290**. **The deviating apportionment must be made exclusively via the field "Share of profit/loss before consideration of the following codes" in Supplement E 6a-1.**

47.2 In the case of **balance sheet accounting** in accordance with **§ 4 I** and of **income-expenditure accounting**, here the corrections necessary for the determination of the correct fiscal profit are to be made if the entries made in "3. Profit determination" do not correspond to the tax-relevant values. **Special operating revenue and expenditure are to be considered not here, but in Supplement E 6a-1.**

Note that differing apportionments of revenues and expenditures (income and expenses) that are not to be reported as special operating revenue or special operating expenses in Supplement E 6a-1 may **not** be made in code **9290**. **The deviating apportionment must be made exclusively via the field "Share of profit/loss before consideration of the following codes" in Supplement E 6a-1.**

48 Code 9240: Corrections to depreciation of fixed assets (e.g. depreciation for wear, low-value assets, EKR 700 – 708) – code 9130

In particular, corrections resulting from § 8 (e.g. mandatory minimum useful life under fiscal law for buildings and cars) and – with regard to depreciation for wear – from § 20 I 2 b ("luxury tax threshold" for motor vehicles) are to be entered here. See Note 49 for corrections to the operating costs of luxury vehicles. Allocations to a leasing asset item pursuant to § 8 VI 2 are to be entered in code **9270**.

49 Code 9250: Corrections to depreciation of current assets if and insofar as these exceed the usual depreciation in the company and value adjustments on receivables – code 9140

In particular, those corrections made are to be entered here that result from the prohibition of flat-rate value adjustments in the case of a business year beginning before 01-JAN-2021.

50 Code 9273: Value adjustment one-fifth amount ("legacy receivables")

For business years beginning after 31-DEC-2020, flat-rate bad debt allowances are permissible under the conditions of § 201 II 7 UGB. For business years ending before 01-JAN-2021, flat-rate bad debt allowances may likewise be made; the adjustment amounts to be taken into account must be apportioned evenly over the business year beginning after 31-DEC-2020 and the following four business years.

51 Code 9274: Provision one-fifth amount ("legacy amounts")

For business years beginning after 31-DEC-2020, flat-rate provisions are permissible under the conditions of § 201 II 7 of the UGB. For business years ending before 01-JAN-2021, flat-rate provisions may also be formed; the provision amounts to be taken into account are to be apportioned evenly over the business year beginning after 31-DEC-2020 and the following four business years.

52 Code 9260: Corrections to motor vehicle costs

All corrections made with regard to motor vehicles are to be entered here, in particular corrections of the depreciation for wear from the amounts recognised of the useful life of eight years under fiscal law, corrections resulting from the application of the so-called„luxury tax threshold" for motor vehicles, and corrections resulting from the consideration of a leasing asset.

53 Code 9270: Corrections to rental and lease expenses, leasing (EKR 740 – 743, 744 – 747) – code 9180

Any corrections from the private use of rented, hired or leased assets are to be entered here. Corrections relating to motor vehicles (allocations to a leasing asset item in accordance with § 8 VI 2) are to be entered in code **9260**.

54 Code 9280: Corrections to advertising and representation expenses, donations, gratuities (EKR 765 – 769) – code 9200

In particular, the corrections resulting from § 20 I 3 (cf. Rz 4808 et seq of the Austrian Income Tax Guidelines 2000) are to be entered here.

55 Code 9257: Corrections relating to remuneration for work and services

§ 20 I 7 and 8 states that wages, certain remuneration for the provision of personnel, pensions and pension settlements as well as voluntary severance payments are no longer deductible without restrictions. If and insofar as the deduction restriction applies, please enter the non-deductible amount for correction of the value in code **9120** or **9110**, respectively, in code **9257**.

56 Income from value increases of capital assets and derivatives realised in the course of business are as a rule to be taxed at the special tax rate, unless the participant exercises the regular taxation option in accordance with Item 8.1 in Form E 1.

§ 6 II c provides for offsetting in the event of a coincidence of capital gains and losses. Only half of any loss excess may be offset against other operating income. Codes **9305** (see Note 57) and **9289** (see Note 58) are used to implement this taxation sequence.

57 In code **9305**, any corrections resulting from the correct determination of capital gains/losses relating to operating capital assets must be made to which the special tax rate is applicable. This may be necessary, for example, if the capital gains under corporate law reported in Item 3 differ from the fiscal ones due to differences in the valuation of the contribution (fair value on the one hand or limitation at acquisition cost in accordance with § 6 V on the other). The result concerning capital gains/losses to be possibly adapted here is subsequently authoritative (see Note 58).

58 Code **9289** is used to correct the result under corporate law (possibly corrected using code **9305**) from Item 3 with regard to the settlement provision in § 6 II c; accordingly, losses from the sale, redemption and other pay-off of assets and derivatives to whose income the special tax rate is applicable are to be offset primarily against positive income from realised increases in the value of such assets and derivatives as well as against write-ups of such assets. Only 55% of any remaining negative excess may be compensated. The capital gains and capital losses are to be reported in the preliminary columns, and the balance is to be formed from them. If this is negative, only 55% of it may be offset against the other income of the operation. In this case, 45% of the negative balance are to be entered in code **9289**. Thus the addition of 45% of the loss and the correction of the result from Item 3 (corrected, if necessary, via code **9305**) is made in accordance with § 6 II c. If the balance from the capital gains and capital losses is positive, it can be taxed in the income tax assessment of the participants at the special tax rate or – if the standard taxation option in accordance with Item 8.1 of Form E 1 is exercised – at the tariff rate. A positive balance must not reduce the income to be determined and – if no Supplement E 6a-1 is enclosed – is to be stated in Item 5 of this supplement in code **9045**, otherwise in codes **9763/7763** of Supplement E 6a-1.

59 Code 9010: Adjusted net gain/loss carried forward

In code **9010**, an **adjusted net gain carried forward** or **adjusted net loss carried forward** resulting from the change in the profit determination by the partnership is to be entered in the respective assessment. Adjusted net gains/losses carried forward from the sale of a co-entrepreneur share are **not** to be considered here, but only in code **9935** of Supplement E 6a-1. Adjusted net losses carried forward to be considered apportioned over seven years are to be entered not here but in code **9242** (see also Note 60).

60 Code 9242: One-seventh amounts of an adjusted net loss carried forward of the current year and/or a previous year

If an adjusted net gain/loss carried forward is to be recognised for the partnership itself (not for a participant), the following applies: An adjusted net gain carried forward is to be entered in code **9010**. An adjusted net loss carried forward to be reported in seven annual amounts is always to be entered in code **9242** with the annual amount attributable to the business year in question. Therefore, loss sevenths from an adjusted net loss carried forward from a previous year must also be recorded there. An adjusted net loss carried forward is to be entered to the full amount in code **9010** only if there is no apportionment over seven years (e.g. sale of business).

61 Code 9290: Other changes – Balance

Any other changes are to be made in code **9290**. In particular, the corrections resulting from § 9 V and § 14 are to be reported here. Special business revenue and expenditures are not to be considered here, but in Supplement E 6a-1. Please note that deviating apportionments of revenue and expenditure (income and expenses) not included as special operating income or special operating expenses in Supplement E 6a-1 (codes **9915** and **9925**) must **not** be entered in code **9290**. The deviating apportionment must be made exclusively via the field "Share of profit/loss" in Supplement E 6a-1 (see Note 5 to E 6a-1).

62 Code 9020: Gain on disposal/loss on disposal

This code is used when the business or part of the business of the **partnership** is sold or discontinued. In this case, a gain on disposal or loss on disposal is to be entered to the full amount, irrespective of tax benefits. If a **co-entrepreneur** sells his/her share or gives it up, **only** the codes **9930**, **9935** and **9940** of Form E 6a-1 have to be filled in.

63 Code 9030: Profit/loss to be excluded

This code is important for foreign companies or foreign permanent establishments:

- In cases in which a profit (determined in accordance with the regulations of Austrian taxation law) is made from the foreign operation/foreign permanent establishment and Austria is **not** entitled to tax this profit (e.g. in the case of double-taxation agreements with exemption method), the tax-exempt profit is also to be entered in code **9030** and is thus excluded. If Austria is entitled to a progression proviso, in such cases the foreign profit is also to be entered in Form E 6 in code **440**. In the case of the shareholder, the prorated profit for the assertion of the progression proviso is to be entered in the income tax return (Form E 1) in code **440**.
- In cases in which a **loss** (determined in accordance with the regulations of Austrian taxation law) is incurred from the foreign operation/foreign permanent establishment, which is to be considered in accordance with § 2 VIII of the Austrian Income Tax Act 1988, code **9030** does **not** have to be filled in. In such cases, the foreign loss, if and insofar as it is attributable to the shareholder, is also to be entered in the shareholder's **income tax return** (Form E 1) in code **746**. An entry of the loss (with a negative leading sign) in code **9030** is necessary only if the foreign loss is not to be compensated with domestic income (cf. Rz 210 of the Austrian Income Tax Guidelines 2000).
- In cases in which the income (determined in accordance with the regulations of Austrian taxation law) from the foreign operation/foreign permanent establishment is **taxable** in Austria (e.g. in the case of a double-taxation agreement with crediting method), code **9030** does **not** have to be filled in. The foreign income and a foreign tax to be credited are to be entered in the declarative statement (Form E 6) in codes **395**, **396**. For the shareholder, the prorated foreign income and a prorated foreign tax to be credited are to be entered in the **income tax return** (Form E 1) in the codes **395**, **396** (if applicable also **786**, **787**).

Ad "Balance sheet items (ONLY for balance sheet preparers pursuant to §§ 4 I or V)"

64 Code 9300: Private withdrawals (less private contributions), EKR 96

Here the total of accounts EKR 960 – 969 ("Private and clearing accounts of individual entrepreneurs and partnerships") after deduction of private contributions is to be entered. If the private contributions exceed the private withdrawals, the excess is to be entered with a negative leading sign.

65 Code 9310: Real estate (EKR 020 – 022)

Here the total of the amounts in the accounts EKR 020 ("Agriculturally used land"), 021 ("Developed real estate") and 022 ("Rights equivalent to real property") is to be entered. Accounts EKR 031 – 039 are not to be reported.

66 Code 9320: Buildings on own land (EKR 030, 031)

Here the amount on the account EKR 030 ("Business and office buildings on own land") as well as EKR 031 ("Residential and social buildings on own land") is to be reported. Accounts EKR 032 – 039 are not to be reported. If indirect depreciation is selected, the acquisition or production costs or the going-concern value is to be stated in this code; if direct depreciation is selected, the respective net book value must be reported. The selected depreciation method must be maintained.

67 Code 9330: Financial assets (EKR 08 – 09)

Here the total of the amounts in the accounts EKR 08 – 09 is to be entered. In detail, this relates to the following accounts: 080 ("Shares in affiliated companies"), 081 ("Investments into joint ventures"), 082 ("Investments into affiliated [associated] companies"), 083 ("Other participations"), 084 ("Loans to affiliated companies"), 085 ("Loans to companies in which an interest is held"), 086 ("Other loans"), 087 ("Shares in corporations without participatory character"), 088 ("Shares in partnerships without shareholding"), 090 ("Cooperative shares without participatory character"), 091 ("Shares in investment funds"), 092 – 093 ("Fixed-interest securities of fixed assets"), 094 – 097 ("Other financial assets, debt register claims"), 098 ("Prepayments made") and 099 ("Cumulated depreciation").

68 Code 9340: Inventories (EKR 100 – 199)

Here the total of the amounts in the accounts EKR 100 – 199 is to be entered. In detail, this relates to the following accounts: 100 - 109 („Billing of purchases"), 110 - 119 („Raw materials"), 120 - 129 („Purchased parts"), 130 - 134 („Auxiliary materials"), 135 - 139 („Consumables"), 140 - 149 („Work in progress"), 150 - 159 („Finished goods"), 160 - 169 („Goods"), 170 - 179 („Services not yet billable"), 180 („Advance payments") und 190 - 199 („Value adjustments").

69 Code 9350: Receivables from goods and services (EKR 20 – 21)

Here the total of the amounts in the accounts EKR 20 – 21 is to be entered. In detail, this relates to the accounts: 200 – 207 ("Domestic accounts receivable"), 208 ("Value adjustments for domestic accounts receivable"), 209 ("General value adjustments for domestic accounts receivable"), 210 – 212 ("Accounts receivable, monetary union"), 213 ("Value adjustments for accounts receivable, monetary union"), 214 ("General value adjustments for accounts receivables, monetary union"), 215 – 217 ("Accounts receivables abroad, excluding the monetary union"), 218 ("Value adjustments for accounts receivable abroad, excluding the monetary union") and 219 ("General value adjustments for accounts receivable abroad, excluding the monetary union").

70 Code 9360: Other provisions (excluding provisions for severance payments, pensions and taxes) EKR 304 – 309

Here the total of the amounts in the accounts EKR 304 – 309 („Other provisions") is to be entered.

71 Code 9363: Flat-rate provisions for other uncertain liabilities

For business years beginning after 31-DEC-2020, flat-rate provisions are likewise permissible for tax purposes under the conditions of § 201 II 7 of the UGB.

72 Code 9370: Liabilities to credit institutions and financial institutions EKR 311 – 319

Here the total of the amounts in the accounts EKR 311 – 319 is to be entered. Specifically, this concerns accounts 311 – 317 („Liabilities to credit institutions") and 318 - 319 („Liabilities to financial institutions").

73 Full flat-rate taxation for food retailers or general merchandise traders

If income is obtained from the **commercial full flat-rate taxation** for food retailers/general merchandise traders, the lump profit determined at a flat rate is to be entered in code **9006**. If necessary, the codes **9010** (adjusted net gain/loss carried forward), **9242** and **9020** (gain/loss on disposal) are to be filled in, and other information provided. The income from the flat-rate operation is to be transferred to Item 3b of Form E 6.
If, in the case of full flat-rate taxation (for operations in the hotel and restaurant industry as well as for food retailers and general merchandise dealers), additional special operating revenue or expenditure and/or sales of shares are present, Supplement E 6a-1 is also to be filled in. The result of a sale of shares according to Supplement E 6a-1 is to be transferred to Item 3b of E 6. With regard to the procedure for special operating revenue and expenditure, see Rz 4286 of the Austrian Income Tax Guidelines 2000.

74 Application pursuant to § 24 VI (building privilege in the event of discontinuation of a business)

If the operation is discontinued because the owner has died, become incapacitated or has completed his/her 60th year of life and ceases his/her gainful employment, upon application operating hidden reserves of a building which has also served as the principal residence of the taxpayer may be left untaxed. (see Rz 5698 et seq of the Austrian Income Tax Guidelines 2000). The amount of untaxed undisclosed reserves need not be disclosed.

75 Findings on the assessment of the participants

Item 8 of the supplement is provided for certain findings concerning the participants. Here, entries are to be made for each participant **only** if **no** Supplement **E 6a-1** is to be attached. If in case of submission on paper with the provided number of six participants this is not sufficient, a further Supplement E 6a is to be submitted (exceptionally), in which, however, **only** the **remaining participants** are to be mentioned in Item 8.

76 Supplement E 6a-1 Yes/No

In order for the uniformly determined profit/loss to be apportioned correctly, the selection is **absolutely** necessary.

1. A Supplement E 6a-1 is **not enclosed**. Here, the following prerequisites must be met:
   a. No capitalistic co-entrepreneur (§ 23a) holds an interest,
   b. the profit/loss from Supplement E 6a is to be apportioned among the participants in accordance with the **stated participation ratio**, and
   c. a tax-free profit allowance is **not** claimed, or a tax-free profit allowance or a tax allowance for invested profits is **not** to be taxed subsequently; and
   d. only one **business year** ends in the calendar year, and
   e. there is no capital gain concerning **business premises** to which the special tax rate is applicable, and
   f. no shares were sold,
   g. the **flat-rate taxation for small entrepreneurs** is not claimed.

   In this case, the joint income (codes **310**, **320** or **330** on Form **E 6**) is apportioned among the participants according to the participation ratio indicated. Please note that the apportionment of the income always takes place according to the **stated participation ratio**, i.e. independently of the information given in Item 8 of the form (apportionment of the profit/loss for information purposes). **If there have been any changes in the participation ratio, the stated participation ratio must be changed using Form Verf 60 (see also under "New creation and maintenance of the participants").**

   Example:
   A and B each hold 30%, and C holds 40% of the commercial ABC-GesbR. The company achieves a fiscal profit of € 20,000, to be apportioned among the participants according to the participation ratio indicated.
   *A **declarative statement (E 6)** and **a Supplement (E 6a)** must be submitted.*
   *The result from Item 3 of Supplement E 6a is to be transferred to Item 3b and the code **330** of the declarative statement (E 6). In the declaratory decision issued according to the declaration, the profit is apportioned to the participants (in accordance with the stated participation ratio) as follows:*

Participant A 30%	***Participant B 30%***	***Participant C 40%***
6000	*6000*	*8000*

   Any entries in Item 8 of Supplement E 6a are for information purposes only and will not be considered.

2. A Supplement **E 6a-1** is **attached** – the apportionment of the income is not based on the noted participation ratio, but **according to this supplement**:

   A Supplement E 6a-1 is required in the following cases:
   a. The profit/loss from Supplement E 6a is **not** to be apportioned among the participants in accordance with the **stated participation ratio**, or
   b. a tax-free profit allowance is claimed or a tax-free profit allowance is to be taxed subsequently, or
   c. a capitalist co-entrepreneur within the meaning of § 23a holds an interest in the company, or
   d. a **second business year** ended in the calendar year 2021, or
   e. the profit includes capital gains relating to business premises to which the special tax rate of 25% is applicable, or
   f. there is a sale of shares,
   g. the **flat-rate taxation for small entrepreneurs** is claimed.

C) Explanations to Supplement E 6a-1

1 This Supplement is to be filled in if
- a capitalist co-entrepreneur within the meaning of § 23a holds an interest in the company; or
- the profit/loss from Supplement E 6a is **not** to be apportioned among the participants in accordance with the **stated participation ratio**; or
- a **tax-free profit allowance** is claimed, or a tax-free profit allowance is to be taxed subsequently; or
- a **second business year** ends in the calendar year; or
- there is a capital gain relating to **operating premises** to which the special tax rate is applicable; or
- a sale of shares has taken place.

In this case, the share in the result of the partnership (current profit/loss, adjusted net profit/loss carried forward, gain/loss on disposal) as well as any results from an operationally held partnership interest (Supplement E 61) must first be stated for each participant in the line before code **9915**. Then changes in this prorated result due to special operating revenue, special operating expenses, a tax-free profit allowance, a sale of shares or the allocation of a loss of a capitalist co-entrepreneur to the on-hold (§ 23a) must be considered. The value thus determined for each participant represents the fiscal profit share of the same. The sum of all profit shares results in the codes **310**, **320** or **330** of Declaration E 6.

2 Pursuant to § 23a, losses of a **capitalist co-entrepreneur** are not eligible for compensation or carryforward (on-hold losses) in the case of natural persons if and insofar as a negative tax capital account occurs or increases as a result. This does not apply if and insofar as the losses result from an excess of special operating expenses. A shareholder is to be regarded as a capitalist co-entrepreneur if he/she has no or limited liability towards third parties and does not develop a pronounced co-entrepreneurial initiative.

If a partnership (parent company) holds an interest in the company (subsidiary company) in question (two-layer partnership), the parent company is a capitalist co-entrepreneur only if all parties involved in the parent company are affected by § 23a (see also Note 3).

3 If a partnership (parent company) holds an interest in the company (subsidiary company) in question, the on-hold provision of § 23a for the parent company is to be applied within the framework of the determination procedure of the subsidiary company if **all participants** of the parent company are affected by § 23a. This would be the case, for example, if the parent company holds a capitalist interest in the subsidiary company and only natural persons hold an interest in the parent company. If § 23a does not apply uniformly to the shareholders of the parent company with regard to the profit share that is attributable to the parent company, the parent company is not to be considered in the determination procedure of the subsidiary company. This is to be stated accordingly. § 23a is then to be applied at the level of the income determination of the parent company.

4 Application pursuant to § 24 VI (building privilege in the event of discontinuation of a business)

If the operation is discontinued because the holder has died, become incapacitated, or completed his/her 60th year of life and ceases his/her gainful employment, upon application operating hidden reserves of a building which has also served as the main residence of the taxpayer may be left untaxed (cf. Rz 5698 et seq of the Austrian Income Tax Guidelines 2000). The amount of hidden reserves left untaxed does not need to be disclosed.

5 Share of profit/loss (before consideration of the following codes)

In this field, the prorated profit/loss resulting from Supplement E 6a is to be entered. **This can be apportioned among the participants in deviation from the noted participation ratio.**

Please note that the sum of the entries in this line must **match** the result from Supplement E 6a (totals line for Item 3 or 4 in E 6a, respectively).

Deviations in the apportionment of profit/loss that do not result from special operating revenue or expenditure or the sale of shares must be considered in the share of profit/loss for the participants.

Example:
D and E each hold 40%, and F holds 20% of the commercial DEF-GesbR. The company achieves a profit (Item 3 of Supplement E 6a) of € 40,000. E has received an anticipated profit of € 10,000 granted under the company's articles of association. There is no special operating revenue or expenditure.
A declarative statement (E 6), a Supplement E 6a and a further Supplement E 6a-1 must be communicated. The result from Item 3 of Supplement E 6a (€ 40,000 – advance profit not yet considered) is first to be reduced (in an auxiliary calculation) by the advance profit (the advance profit is not stated in the form):

	Profit from E 6a	*40,000*
–	*anticipated profit*	*– 10,000*
	Prorated profit to be apportioned	*30,000*

D receives 40% of € 30,000, E also receives 40% of € 30,000 plus € 10,000 of anticipated profit, F receives 20% of € 30,000.

	D 40%	***E 40%***	***F 20%***
*Share of profit/loss (to be entered in E 6a-1 in the line above code **9915**)*	*12000*	*22000*	*6000*
Fiscal profit share	*12000*	*22000*	*6000*
Profit of DEF-GesbR (total sum of the tax result shares according to E 6a-1)	***40000***		

*The amount of € 40,000 is to be entered in Item 3b of Form E 6 and transferred to code **330**.*

6 Code 9915: Special operating revenue

All special operating revenue (e.g. activity remunerations, rent or interest) must be considered here. Anticipated profits are to be considered not here, but at the "Share of profit/loss before consideration of the following codes" (see Note 5).

7 Code 9925: Special operating expenses

Here, all special operating expenses are to be considered in one sum.

8 Code 9387: Corrections to disposals/withdrawals/ write-ups and depreciation of business premises

All corrections resulting from the settlement provision in § 6 II d, from the withdrawal of the book value of real estate or from the fact that income from realised value increases of business premises is to be determined in deviation from the general profit determination provisions (e.g. lump-sum determination pursuant to § 30 IV) is to be entered here. Profits included in income relating to business premises to which the special tax rate can be applied (in the income tax assessment of the parties concerned) are to be stated under code **9764/7764**.

9 If Supplement E 6a-1 is used, **donations** are to be entered here, in a shareholder-related manner, that have been made from the business assets to the recipients named in the respective codes. In this case, the codes **9243, 9244, 9245, 9246** of Supplement E 6a must not be completed.

10 If Supplement E 6a-1 is used, **contributions** to the assets of a non-profit **foundation** made from the business assets are to be entered here, in a shareholder-related manner (§ 4a). In this case, code **9261** in Supplement E 6a is not to be completed.

11 In code **9462**, contributions to the Innovation Foundation for Education and its subfoundations (§ 4 c) are to be entered.

12 Please note in the case of the existence of **capital gains** concerning operating **capital assets** and business premises that **are to be taxed at the special tax rate** of the participant:

In this case, the prorated tax-free profit allowance, if and insofar as it is attributable to these profits, is to be deducted from this income and may insofar not reduce the participation income subject to tariff tax. In codes **9221**, **9227** and **9229** of Form E 6a-1, the total tax-free profit allowance without allocation must always be deducted for each participant, since profits treated in a privileged way are included in the result to be established. In Form **E 11,** in Items 4 and 5, respectively, the eligible capital yields/capital gains must then be excluded. If these are not regularly taxed at the participant (no exercise of the standard taxation option in accordance with Item 8.1 or 8.2 of Form E 1, respectively), a possibly necessary correction (allocation) of the tax-free profit allowance in Items 4 or 5 of Form E 11 must also be made in such a way that the values reduced by the correctly allocated tax-free profit amount are recorded in Items 9/10/11b of Form E 1 or in the codes provided for the special tax rates, respectively.

> ***Example**:*
> *The profit pursuant to § 23 of the Income Tax Act 1988 of ABC-GesbR (A and B each holding 25%, C 50%) amounts to € 2,000 without consideration of a real estate sale.*
>
> *A profit of € 18,000 is achieved from the real estate sale, which is taxed at 30% for all participants involved. The tax-free profit allowance is to be determined as follows:*
>
> *The tax assessment base for the tax-free profit allowance is the (total) prorated operating profit, i.e. € 5,000 for each of A and B and € 10,000 for C. The tax-free profit allowance (basic tax allowance) therefore amounts to € 650 for each of A and B and € 1,300 for C. 10% of the tax-free profit allowance is to be allocated to the profit subject to tariff tax.*
>
> *In code **9221**, € 650 are to be entered for each of A and B and € 1,300 for C (total tax-free profit allowance).*
>
> *The prorated participation income determined in the determination procedure is therefore 4,350 for each of A and B, and 8,700 for C.*
>
> *In Form E 11 of Participants A and B, the prorated profit of 4,350 in Item 5 is to be reduced by 3,915 in each case. This amount results from the prorated real estate gain (4,500) as a deduction and 9/10 of the tax-free profit allowance taken into account as a surcharge (585), because this part is attributable to the real estate gains taxed at the special tax rate, so that eventually only 1/10 of the tax-free profit allowance is considered in the case of participation income subject to tariff tax. The result from the investment to be transferred from E 11 to Form E 1 in Item 11b (subject to tariff tax) therefore amounts to € 435 for each of A and B, and € 3,915 each are to be transferred into code **963**. The same applies mutatis mutandis to C.*

13 Please note that a tax-free profit allowance **cannot** be asserted as part of the determination procedure if the participation is part of the **business assets of a company**.

14 Code 9221: Basic tax allowance

A basic tax allowance totalling 13% of the profit (without gain on disposal), but no more than € 3,900, can be claimed. The basic tax allowance is due to the co-entrepreneurs prorated according to their profit participation.

15 Code 9227: Investment-related tax-free profit allowance – tangible assets

If and insofar as the profit (without gain on disposal) exceeds the assessment basis of the basic tax allowance, an investment-related tax-free profit allowance can be asserted if and insofar as it is covered by the acquisition or manufacture of certain tangible assets (see Rz 3828 of the Austrian Income Tax Guidelines 2000). The investment-related tax-free profit allowance is prorated to the co-entrepreneurs in proportion to their profit participation.
The tax-free profit allowance for the first € 175,000 of the (total) profit amounts to 13%, while for profit portions exceeding this, the profit allowance is up to € 580,000 to a lesser extent (cf. Rz 3845 et seq of the Austrian Income Tax Guidelines 2000). In code **9227**, enter the amount that is to be considered as a tax allowance in accordance with § 10.

16 Code 9229: Investment-related tax-free profit allowance – securities

If and insofar as the profit (without gain on disposal) exceeds the tax assessment base of the basic tax allowance, an investment-related tax-free profit allowance can be asserted if and insofar as it is covered by the acquisition of securities (§ 14 VII 4).

The tax-free profit allowance for the first € 175,000 of the (total) profit amounts to 13%, while for profit portions exceeding this, the profit allowance is up to € 580,000 to a lesser extent (cf. Rz 3845 et seq of the Austrian Income Tax Guidelines 2000). In code **9229**, enter the amount that is to be taken into account as a tax allowance in accordance with § 10.

17 **Code 9234: Tax-free profit allowance to be taxed subsequently (§ 10)**

Enter any tax-free profit allowance to be taxed subsequently here (see in particular Rz 3715 of the Austrian Income Tax Guidelines 2000).

18 **Code 9930, 9931, 9932: Share was sold (percentage)**

If the **share in the partnership** was sold, the extent of the share sale must be stated here as a percentage. Therefore, if the whole share has been sold, the entry is thus "100", if e.g. one-quarter of the share was sold, the entry amounts to "25". If the share in a partnership is sold, **no** entry on Form E 6a is required (the code **9020** in E 6a relates to the sale or discontinuation of a business or part of a business of the partnership).

19 **Code 9935, 9936, 9937: Adjusted net gain/loss carried forward**

An adjusted net gain/loss carried forward to be determined on the occasion of the sale (discontinuation) of a co-entrepreneur share is to be entered here, whereby the gain/loss is reported in the fiscal profit share. If the share in a partnership is sold, **no** entry may be made on Form E 6a (code **9010** in E 6a relates to the change in the profit determination of the partnership, code **9020** in E 6a relates to the sale/termination of a business or part of a business of the partnership).

20 **Code 9940, 9941, 9942: Gain on disposal (before any tax allowance)/loss on disposal**

A capital gain/loss to be determined on the occasion of the sale (discontinuation) of a co-entrepreneur share is to be entered here and thus recorded in the fiscal profit share. If the share in a partnership is sold, **no** entry may be made on Form E 6a (code **9010** in E 6a relates to the change in the profit determination of the partnership, code **9020** in E 6a relates to the sale/discontinuation of a business or part of a business of the partnership).

21 **Code 9022, 9023, 9024: Tax allowance for capital gain in accordance with § 24 IV**

If the tax allowance is claimed, this excludes assertion of the one-half tax rate or the three-year apportionment (E 1).

22 In code **9025**, losses are to be entered that are to be put on hold pursuant to § 23a.
Pursuant to § 23a, losses of a capitalist co-entrepreneur are not eligible for compensation or carryforward (on-hold losses) in the case of natural persons if and insofar as a negative tax capital account occurs or increases as a result. This shall not apply if and insofar as the losses result from an overhang of special operating expenses. A shareholder is to be regarded as a capitalist co-entrepreneur if he/she has no or limited liability towards third parties and does not develop a pronounced co-entrepreneurial initiative. The fiscal capital account does not take into account assets of the special business assets or special operating revenue / special operating expenses, in each case including their withdrawal or contribution.

On-hold losses
• must be offset against profits of subsequent business years (including adjusted net gains carried forward and gains on disposal) or
• are converted into compensable and deductible losses to the amount of the contributions made in a later business year if and insofar as they exceed the withdrawals. If the capitalist co-entrepreneur is held liable, for tax purposes this is regarded as a contribution. If the capitalist co-entrepreneur becomes an unrestrictedly liable partner pursuant to § 128 of the Austrian Commercial Code, all on-hold losses as of this assessment year become losses that are eligible for compensation and carryforward. For each capitalist co-entrepreneur, the declarative statement must report the development of the fiscal capital account (codes **9397/7397, 9398/7398, 9399/7399** and **9400/7400**) and the on-hold account losses (**9401/7401, 9402/7402** and **9406/7406**) for each business year.

23 Here enter on-hold losses of a previous year that have to be offset against a profit of the respective year. The offsetting can be carried out only up to the amount of the profit before consideration of § 23a.

24 **Total amount of fiscal profit shares**

The total amount of the fiscal profit shares of all participants results in the income of the partnership, which is to be entered in Form E 6 in Items 1b, 2b or 3b and transferred to the codes **310**, **320** or **330**.

Example:
A and B each hold 40%, and C holds 20% of the commercial ABC-GesbR. The company achieves a profit (Item 3 of Supplement E 6a) of € 40,000. A has let a building to the company, for which the company has paid him € 6,000 in rent, and € 150 were incurred in depreciation for wear. C has granted a private loan to the company and received € 120 in interest from the company in return. A declarative statement (E 6), a Supplement E 6a and a further Supplement E 6a-1 must be submitted.
The result from Item 3 of Supplement E 6a (€ 40,000, of which € 6,000 in rent and € 120 in interest are paid as expenditure) is to be apportioned among the participants in Supplement E 6a-1, and then the special operating revenue (rent, interest) is to be entered for D and F, and depreciation for wear is to be entered for D as special operating expenses.

	A 40%	***B 40%***	***C 20%***
Profit share (according to E 6a)	*16000*	*16000*	*8000*
*Rent (code **9915**)*	*6000*		
*Interest (code **9915**)*			*120*
*Depreciation for wear (code **9925**)*	*-150*		
Total amount	*21850*	*16000*	*8120*
Profit	***45970***		

*The amount of € 45,970 is to be entered in Item 3b of Form E 6 and transferred to code **330**.*

25 An apportionment is to be made **only** if **two business years end in the relevant calendar year**. Since determination of the operating income must take place for each business year, the profit/loss (total amount of fiscal profit shares, see Note 24) and the fiscal profit shares for each participant is to 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 fiscal profit share (Note 24); the same applies to the total amount of the fiscal profit shares.

26 Findings on the assessment of the participants

Entries must be made here for findings concerning the parties concerned. The entries have no effect on the amount of the income to be determined, they serve for official determination.

27 Capital gains on **business premises** are to be recognised as joint income even if they can be taxed at the special tax rate for the person concerned. The option of taxation at the special tax rate or – in case of exercise of the standard taxation option pursuant to Item 8.2 of Form E 1 – at the tariff rate is to be exercised by the participant in the income tax return. In Form E 11 (Supplement to the Income Tax Return for participation income), the income of the participants without privileged capital gains in respect of business premises is to be recognised.

28 The capital gain must always be determined in the determination procedure using the deduction prohibition pursuant to § 20 II (e.g. for contract set-up costs, consultancy costs, brokerage costs, advertising costs or costs for valuation expert opinions); this value must be transferred into the code **9764/7764**. The expenses affected by § 20/2 and not considered when determining the value of the code **9764/7764** are to be entered in code **9771/7771**. Only in the case of standard taxation is the amount from code **9764/7764** to be reduced by the amount from code **9771** in code **500/501/502** in Form E 1, so that the expenses that were not initially considered are deducted in the result.

D) Notes on Supplement E 6b

General information on Supplement E 6b

At any rate, the declarative statement (E 6) and **one** Supplement E 6b **for each** source of income must be submitted. If necessary – in the case of participation in another letting cooperative – Supplement E 61 must additionally be used.
With regard to the registration options, the supplement essentially corresponds to Supplement E 1b (Supplement to the income tax return for income from rentals and leasing). It also comprises a "Totals Column" and columns for the respective participants. Supplement E 6b represents the **standardised surplus calculation**; no further communication of a surplus calculation is required.

1 VAT gross system/VAT net system

In the case of the **VAT gross system**, revenue and expenditure leading to income-related expenses are to be recognised, including VAT. In the case of expenses to be deducted by way of depreciation for wear, the deductible input tax is immediately deductible as income-related expenses. The acquisition (production) costs excluding VAT are to be used as the basis for depreciation. The sum of the VAT charges paid in the assessment year is to be entered in code **9530**, the sum of any VAT credits in code **9460**. If both VAT payment charges and VAT credits result, a balancing must be carried out; if there is a credit excess, this is to be entered in code **9460**; if there is a payment charge excess, this is to be entered in code **9530**. In the **VAT net system**, VAT is treated as a transit item and is not recognised on the revenue nor the income-related cost side. All revenue and deductible expenditure eligible for input tax deduction that lead to income-related expenses are therefore recognised net only. The net system is permitted only for those taxpayers for whom the VAT can as a rule be of a transitory nature. Net offsetting is therefore not possible in cases where an entrepreneur carries out transactions that are VAT-exempt without input tax relief.

2 Standard value file reference (*Einheitswert-Aktenzeichen*, EWAZ)

If the source of income consists of a single plot of land (e.g. condominium, residential property for letting), please include the standard value file reference (*Einheitswert-Aktenzeichen*, EAWZ), postcode and location address. If several plots of land are let as part of a single source of income (e.g. letting of several condominiums in the same building to one tenant), it is sufficient to indicate a single plot of land. In this case, please always list the same property in the following years if the circumstances remain unchanged.

3 Ad "A: General"

A totals column is provided for the entries, and a **participant column** for each participant.

Entries must be made in the **totals column** if they affect **all participants equally,** so that the amount attributable to the individual participant(s) can be determined from the noted participation ratio. No entries in a participant column may be made.

Applications submitted by all parties are to be entered **only** in the totals column. No entries in a participant column may be made.

> ***Example 1:***
> *G, H and I have bought a house that they let. The depreciation for wear of the building is measured on the basis of the acquisition costs attributable to the building. In the totals column, the total acquisition costs are to be entered in code **9409,** and the part of the total acquisition costs attributable to the building is to be entered in the code **9410**. No further entries are required.*

	Totals column	G	H	I
Amount of acquisition costs (Real estate and buildings) **9409**				
Of all the acquisition costs, the following are attributable to the buildings without real estate portion **9410**				

Applications that do not involve all the parties concerned in the same way are to be entered in the **totals column** and **also** in the **respective column of the participant(s) concerned.**

> ***Example 2:***
> *J, K and L each own a 2/3 of a house, which they let jointly. Repair and maintenance costs (§ 28 II of the Austrian Income Tax Act 1988) to the amount of € 18,000 are incurred, which J deducts in full in the relevant year, while K and L apportion theirs over 10 years.*
> *Entries under Item A:*
> *K and L must enter their respectively attributable amounts (€ 6,000) in their participant column in code* ***9430*** *and submit the request for apportionment by checking the appropriate box in the participant column. There are no entries to be made in the participant column J. In the totals column, the total of the repair and maintenance costs that are apportioned over 10 years (€ 12,000) is to be entered.*

	Totals column	Y	K	L
Application pursuant to § 28 II	X		X	X
Expenses to be apportioned **9430**	12000		6000	6000

4 An initial letting is present only if the building has not already been let before – even with an interruption of several years – and if the building has not been leased for the first time for attainment of operating or non-operating income.

5 The depreciation for wear is to be measured from the **notional acquisition costs** at the time of the start of letting if a building belonging to the **legacy assets** (§ 30 IV) is let for the first time. Legacy assets exist regularly if the building was acquired before 31-MAR-2002.

The **notional acquisition costs** include the amount that would have had to be spent to acquire the building. It is to be determined by estimation on the basis of a property valuation. The costs associated with the property valuation are immediately deductible income-related expenses. See also Rz 6441 of the Austrian Income Tax Guidelines 2000 for the calculation of notional acquisition costs.

If a period of more than ten years elapses between the termination of the letting by the legal predecessor or the termination of the lease in the course of a gratuitous acquisition and the renewed commencement of the letting by the taxpayer, the notional acquisition costs may be used as the tax assessment base for the depreciation for wear (Rz 6432 Austrian Income Tax Guidelines 2000).

6 The depreciation for wear is measured at actual acquisition **cost** if a building acquired immediately before the start of the initial letting (see Rz 6433c). The same applies if a building belonging to the **new assets** that was not acquired immediately before the lease commenced is let for the first time. New assets regularly exist if the building was acquired after 31-MAR-2002.

7 In the **Austrian Real Estate Share Ordinance (*GrundanteilV*) 2016**, for consideration of differing local or structural conditions the contribution of the real estate to the total acquisition costs was fixed at a flat rate.

Accordingly, the proportion attributable to real estate is:

a) 20% in municipalities with less than 100,000 inhabitants where the average price per square metre for land ready for construction is less than € 400;

b) 30% in municipalities with at least 100,000 inhabitants and in municipalities in which the average price per square metre for land ready for construction amounts to at least € 400, if the building comprises more than 10 residential or commercial units;

c) 40% in municipalities with at least 100,000 inhabitants and in municipalities in which the average price per square metre for land ready for construction amounts to at least € 400, if the building comprises up to 10 residential or commercial units;

Accordingly, the share of the building is **60%** (Item c), **70%** (Item b) or **80%** (Item a). If you make use of this apportionment, please tick the applicable percentage (share of the building in the total acquisition costs).

The proportion of the real estate can also be determined according to a different distribution ratio,

- if the actual circumstances manifestly differ significantly from those of the values of the Ordinance, or
- if its accuracy is proven.

The proof can be furnished, for example, by an expert opinion. A submitted expert opinion is subject to free consideration of evidence. If the share of the building was determined according to a different distribution ratio, please enter this percentage.

8 In particular, **gratuitous acquisition** is present in case of acquisition by way of donation, in return for a maintenance pension, by inheritance, legacy, gift on death and as compensation for a claim to a compulsory portion. In the case of a "mixed donation", gratuitous acquisition is to be assumed if the purchase price of the building does not amount to at least half of its market value. In the case of a gratuitous acquisition, the depreciation for wear of the legal predecessor is to be continued. See in particular Rz 6434 et seq of the Austrian Income Tax Guidelines 2000.

9 If you have already let the building once and resume the letting in the reporting year, enter the original tax assessment base for the depreciation for wear in code **9416**. In this case, the depreciation for wear is to be continued (see Rz 6433e of the Austrian Income Tax Guidelines 2000).

10 If the last letting was terminated before 01-JAN-2016, the depreciation for wear is to be adjusted in the event of continuation or resumption of the letting if the legal situation applicable from 2016 (see Note 7) stipulates a different distribution ratio of real estate to building. Specify whether the depreciation for wear has been adjusted or not.

11 If a building withdrawn from the business assets is let, the withdrawal value (going-concern value, in the case of discontinuation of a business: fair market value) replaces the acquisition or production costs (§ 6 IV).

12 In accordance with § 28 II, expenses for **maintenance work** that is not carried out regularly each year, deductions for **extraordinary technical or economic depreciation** and related expenses as well as **extraordinary expenses** that are not maintenance, repair or production expenses may, **upon application**, be taken into account uniformly apportioned over a period of fifteen years.

Maintenance expenses are incurred when only insignificant parts of a building are replaced, or when there is no significant increase in value in use or useful life (cf. Rz 6467 et seq of the Austrian Income Tax Guidelines 2000).

Repair expenses are to be apportioned for residential buildings (after any reduction for tax-free subsidies from public funds). In the case of buildings that are not used for residential purposes (e.g. buildings used for business purposes), non-regular repair expenses can be deducted either immediately or bases on apportionment. Repair expenses are those expenses that are not part of the acquisition or production costs and which, alone or together with production expenses, significantly increase the use value of the building or significantly extend its useful life (see also Rz 6450 et seq of the Austrian Income Tax Guidelines 2000).

In the case of apportionment, the **total amount** of the apportioned expenses incurred in the respective assessment year must be stated in code **9430**. In code **9470**, all partial amounts attributable to the assessment year are to be recognised, thus also those from an application for apportionment made in previous years. Immediately deducted maintenance expenses or repair costs (other than for residential buildings) are to be entered in code **9520**.

13 Pursuant to § 28 III, the following expenses, if and insofar as they constitute manufacturing expenses (cf. Rz 6476 of the Austrian Income Tax Guidelines 2000), are to be apportioned evenly over **fifteen** years upon application:

- Expenses within the meaning of §§ 3 to 5 of the Austrian Tenancy Act (*Mietrechtsgesetz) in buildings subject to the provisions of the Tenanc*y Act on the use of the main rent interest.
- Expenses for renovation measures, if a commitment for a subsidy under the Austrian Housing Renovation Act (*Wohnhaussanierungsgesetz*), the First Apartment Act (*Startwohnungsgesetz*) or the state regulations on the promotion of housing renovation is on hand.
- Expenses on the basis of the Austrian Act on the Protection of Historical Monuments (*Denkmalschutz-gesetz*).

If statutory rent increases are made for funding of these production costs, the production expenses (after possible reduction by correspondingly dedicated tax-free subsidies from public funds) can be apportioned uniformly over the term of the increased rents, but at least uniformly over ten years. Please specify the allocation period. In the case of an application for apportionment, the **total amount** of the production expenses incurred in the respective assessment year must be indicated in code **9440**. In code **9480**, all partial amounts to be considered in the respective assessment year are to be entered. If no apportionment is applied for, production expenses pursuant to § 28 III are to be deducted over the remaining useful life and taken into account within the framework of depreciation for wear in code **9500**.

14 Pursuant to § 28 IV, the reimbursement of expenses pursuant to **§ 10 of the Austrian Tenancy Act** may be distributed evenly over ten years by application. In the case of an application for apportionment, the total amount of expenses accrued in the respective assessment year is to be entered in code **9450**. In code **9490**, all one-tenths attributable to the assessment year are to be entered, thus also those from an application made in previous years.

15 Ad "B: Income determination"

Specify revenue and income-related expenses without leading signs. Revenue repayments are to be reported in code **9530**, income-related expenses repayments in code **9460**. In the **totals column**, enter the totals of the values attributable to the participants in the individual codes.

Note that **only** the **totals column** has to be filled in, and the columns for the participants are **not to be filled in**, if the amount of the corresponding codes is the **same** for all participants. In this case, the total value is used to determine the value attributable to the individual participant(s) from the noted participation ratio. The apportionment of the value from the totals column to the participants according to the noted participation ratio to determine the income share of the respective participant(s) takes place **automatically**.

If there are **different values** for individual codes for the participants (for example, different amounts for depreciation for wear), enter the values that are attributable to the participant into the participant columns, and total these values into the totals column.

Example 3 (continued from Example 2 in Item 3):
J, K and L each own a 2/3 of a house, which they let jointly. Repair and maintenance costs (§ 28 II of the Austrian Income Tax Act 1988) to the amount of € 18,000 are incurred, which J deducts in full in the year in which they are incurred, while K and L apportion theirs over 10 years. The rental income (€ 33,000), depreciation for wear of € 2,400, financing costs (€ 600) and other income-related expenses (€ 3,600) are to be apportioned according to the stated participation ratio.

		Totals column	***Y***	***K***	***L***
Revenue	***9460***	*33000*			
Expenses pursuant to § 28	***9470***	*1200*		*600*	*600*
Depreciation for wear	***9500***	*2400*			
Financing costs	***9510***	*600*			
Immediately deducted	***9520***	*6000*	*6000*		
Other income-related expenses	***9530***	*3600*			
Total amount		***19200***			

16 Revenue – code 9460

In code 9460, all revenue from the source of income is to be listed as one total. Revenue in particular also includes redemption, advance rent payments or operating costs passed on (these can also be treated as transitory items in the case of rental-protected properties that are subject to the offsetting obligation in accordance with § 21 of the Austrian Tenancy Act, cf. Rz 6401 et seq Austrian Income Tax Guidelines 2000).

17 Depreciation for wear – code 9500 unless to be included in code 9134 and/or 9135

In code 9500, the amount of depreciation for wear and (depreciation for the wear of buildings and facilities) for the assessment year is to be entered. For the tax assessment base for the depreciation for wear and the depreciation rate, see § 16 I 8 and Rz 6422 et seq of the Austrian Income Tax Guidelines 2000.

18 Declining-balance depreciation for wear

For assets acquired or manufactured after 30-JUN-2020, the depreciation for wear can be made in decreasing annual amounts according to an immutable percentage of no more than 30% (**declining-balance depreciation for wear**). This percentage rate is to be applied to the respective book value (net book value) and results in the respective annual depreciation for wear. Certain assets, in particular buildings, are excluded from declining depreciation for wear (see § 7 I a 1).

19 Accelerated depreciation of buildings

Without evidence of the useful life, the depreciation for wear for **buildings** acquired or constructed after 30-JUN-2020 amounts to a maximum of **7.5%** in the year of initial consideration – this is three times the statutory rate of depreciation for wear of 2.5%. Deviating from this, the depreciation for wear for buildings used for residential purposes is maximally **4.5%** – three times the statutory depreciation rate of 1.5%. The rule on semi-annual depreciation for wear is not applicable.

20 If payments for substance settlement are made on the basis of a **conditional usufruct** (see Rz 114 et seq of the Austrian Income Tax Guidelines 2000) to the amount of the previously asserted depreciation for wear, these are to be entered in code **9505**. See also Rz 113a of the Austrian Income Tax Guidelines 2000.

21 Financing costs – code 9510

The deductible borrowing costs (in particular interest and credit charges) attributable to the assessment year are to be entered in code **9510**. Loan repayments (annuities) do not constitute income-related expenses.

22 Income from participations that are not to be apportioned according to the stated participation ratio – code 9540

Code **9540** is intended for cases of participation in another letting cooperative. It is to be filled in **only** if the income from the participation (E 61) is **not** to be apportioned according to the participation ratio noted (Verf 60). Note that the **totals column** and **at least one participant column** are **always** to be filled in for this code.

23 Surplus/Loss

This row **does not need to** be filled in. **The official determination of the income of the participants is made on the basis of the entry in the codes 9460 to 9540.**

E) Notes on Supplement E 6c

General information on Supplement E 6c

In the case of agriculture and forestry operated by a plurality of persons, Supplement **E 6c** to the declarative statement E 6 is to be filled in if the income is determined on the basis of the LuF-PauschVO 2015. In case of the determination of agricultural and forestry income outside the scope of this Ordinance (regular income-expenditure accounting, balance sheet accounting), Supplement E 6c must **not** be used; in this case, Supplement E 6a (and, if necessary, Supplement E 6a-1) is to be used. The contents of Supplement E 6c largely correspond to that of Supplement E 1c.

The regular legal transactions and processes are considered at a flat rate through the lump-sum profit determination.

In the case of agricultural and forestry **full flat-rate taxation** based on the standard value or on area-dependent average rates (in the case of horticultural production for resellers), as a rule the actual operating revenue and operating expenses are irrelevant. Extraordinary revenue must, however, be reported separately, and certain expenditure (e.g. rent paid, interest on debts relating to agriculture and forestry, charges incurred and social-insurance contributions paid) are separately deductible as operating expenses.

The **partial flat-rate taxation** for agriculture and forestry is regarded as an income-expenditure accounting, whereby flat-rate expenditure is deducted from the actual revenue. Application of the Flat-Rate Taxation Ordinance to only individual branches of industry or individual partial company activities is not permissible.

If a voluntary transition is made from flat-rate profit determination to balance sheet accounting or full income-expenditure accounting, flat-rate taxation may be applied again only after five years.

1 File reference of the standard value notice

Please indicate the file reference of the standard value notice for the establishment subject to flat-rate taxation. If (exceptionally) more than one standard value file reference exists for the lump-sum operation, please only use the standard value file reference of the farmstead of the operation. Please note that in such a case, all standard values must be grouped together in the flat-rate taxation.

2 „Big" contribution basis option pursuant to § 23 Ia of the Austrian Farmers' Social Insurance Act (*Bauern-Sozialversicherungsgesetz*) means that farmers apply to the locally competent Social Insurance Institution (SVA) for social-insurance contributions to be calculated on the basis of the income from agriculture and forestry stated in the income tax assessment, instead of the insurance value derived from the standard value.

Tax income from agriculture and forestry may then be determined only by means of balance sheet accounting, complete income-expenditure accounting or partial flat-rate taxation (§§ 9 to 13 LuF-PauschVO 2015). It should be noted that the option can be exercised only at the Farmers' Social Insurance Institution and not at the tax office.

3 Application for partial flat-rate taxation

If the application for partial flat-rate taxation is submitted, this application is binding for the following four calendar years. A new profit determination by full flat-rate taxation is permissible no earlier than after the expiry of five calendar years after the year of the first application. Therefore, no further application for partial flat-rate taxation is to be made for the following four years after submission of the application, and full flat-rate taxation is not permitted. After five years from the year of the first application, the profit can be determined once more by full flat-rate taxation, or the partial flat-rate taxation sum can be continued according to the application. If the partial flat-rate taxation is to be continued, please tick the box indicating that the application was submitted in a previous year.

4 The partial flat-rate taxation upon application is binding for the year of application and the following four calendar years. Therefore, no further application for partial flat-rate taxation is to be made for the following four years after submission of the application, and full flat-rate taxation-consolidation into a lump sum not permitted. After 5 years from the year of the first application, the profit can be determined once more by full flat-rate taxation, or the partial flat-rate taxation sum can be continued according to the application. In this case, please tick the box indicating that the application has already been submitted in one of the previous years.

5 The relevant standard value results from own ownership plus leaseholds (including areas made available for use by others) minus leases (including areas made available for use by others). The relevant standard value also includes the standard value surcharges pursuant to § 35 of the Austrian Valuation Act (*Bewertungsgesetz*) for direct payments of the "first column" and pursuant to § 40 of the Austrian Valuation Act (e.g. above-average animal husbandry, pomiculture, special crops). In the case of leaseholds, the lessee's hectare rate is decisive, in the case of leases, the lessor's is. The leased areas and leaseholds (ha) are therefore to be multiplied by the specific hectare rate of the respective agricultural and forestry branch. The standard value surcharges attributable to the rentals and/or leases pursuant to § 40 of the Austrian Valuation Act (*Bewertungsgesetz*) are to be added accordingly. The result thus obtained is to be reported in code **9620** for all leaseholds and **9630** for all leases. With regard to the attribution of a leasehold or lease, what matters is not a specific time point, but the management during the assessment period. In case of doubt, the rule "Whoever has the harvest gets the allocation" applies. If the standard value relevant for (full) flat-rate taxation is exceeded as per December 31st of a year as a result of purchases during the year or gratuitous acquisition, the partial flat-rate taxation is to be applied from the following year onwards.

6 Full flat-rate taxation requires the total standard value of the area cultivated by the farmer himself/herself not to exceed the amount of **€ 75,000**. If these conditions are met, full flat-rate taxation is still not permissible if the "big" contribution basis option has been exercised at the SVA for the assessment year, or if an application for partial flat-rate taxation is made or has already been made in the last four years (see Note 3 and 4).

7 The **basic amoun**t serves to determine the income from agriculture, forestry, alpine pasture management, viticulture (only up to 60 ares), pomiculture, as well as fish and bee-keeping on farms fully subject to flat-rate taxation. It amounts to 42% of the relevant standard value.

Example:

Agricultural standard value:	*€ 14,000*
Forestry-related standard value:	*€ 2,000*
Total standard value:	*€ 16,000*

The basic amount is 42% of € 16,000, i.e. € 6,720.

8 The **partial flat-rate taxation** is to be applied if the total standard value of the area cultivated by the farmer himself/herself exceeds the amount of **€ 75,000**. In addition, partial flat-rate taxation is used if the "big" contribution basis option has been exercised at the SVA for the assessment year (see Note 2), or if an application for partial flat-rate taxation is made or has already been made in the last four years (see Notes 3 and 4).

9 In the case of operations subject to partial lump-sum taxation, 30% of all public funds (not only those of the "first pillar") are to be reported in code **9690**.

10 In the case of income from **processing activities** (husbandry of of pigs, cattle, sheep, goats and poultry), the operating expenditure related to these activities is to be recognised at 80% of the operating revenue attributable to these activities – deviating from the general lump-sum of 70% –, so that the income from these activities amounts to 20% of the operating revenue.

11 **Income from forestry** is to be entered here, which is to be determined by means of partial flat-rate taxation.) (in the case of full flat-rate taxation, the income from forestry is reported with the basic amount).

Partial flat-rate taxation is compulsory for operations whose forest unit value exceeds € 15,000, or that do not meet the requirements for full flat-rate taxation (see Note 6). In the case of partial flat-rate taxation, the profit results from the operating revenue (including VAT) minus subsequent flat-rate operating expenses:

- in case of self-logging
  - 70% of the operating revenue (reduction figure 1–61 or haulage situation 3)
  - 60% of the operating revenue (reduction figure 62–68 or haulage situation 2)
  - 50% of the operating revenue (reduction figure 69–100 or haulage situation 1)
- for sales of standing wood
  - 30% of the operating revenue (reduction figure 1–63 or haulage situation 3)
  - 20% of the operating revenue (reduction figure 64–100 or haulage situation 1 or 2)

If these lump sums are considered, these percentages shall be increased by 20 percentage points in each case for the determination of the income from uses of woodland as a result of force majeure (§ 37 VI)

12 **Income from forest sales** is to be recognised separately in addition to the current profit in the case of flat-rate taxation. If the total amount from all sales transactions in the calendar year does not exceed € 250,000, the share of taxable standing timber (including hunting rights) can be assumed to be 35% of the sales proceeds. The 35% also satisfies any book values of the standing timber and disposal costs. The flat rate of 35% does not include hidden reserves that are not attributable to standing timber or hunting rights (e.g. real estate, buildings). The sale proceeds attributable to real estate can be recognised at 50% of the total proceeds from the sale (cf. Rz 4195b and Rz 4195c of the Income Tax Guidelines 2000, Austrian Income Tax Guidelines 2000). Income from commercial real estate sales must be reported in code **9746** when the standard taxation option is exercised.

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

If the proceeds from forest sales exceed € 250,000 in a calendar year, the above flat-rate taxation (35%) cannot be claimed.

13 Please note that in the case of capital gains eligible for final taxation by **capital gains tax** (e.g. distributions by agricultural cooperatives) or **capital yields** relating to operating capital assets (e.g. from the sale of agricultural community shares) or relating to **business premises** that can be taxed at the special tax rate:

Operating income treated as tax-privileged must always be reported in the profit/loss (share) to be determined. Accordingly, it should be included in code **9745** or **9746,** respectively. The choice as to whether such income is to be taxed at standard rates or subject to the special tax rate is made by the participant in his/her income tax proceedings. Since the type of taxation is a decision taken outside the determination procedure, Form **E 11** provides that such preferentially treated business income shares must be excluded from the profit/loss share on Form E 11, and the result of the participation must be transferred to Item 10b of Form E 1 (initially) without such income shares. In the income tax return (E 1), the decision must be made as to whether capital income/real estate gains included in the determined result are to be taxed at tariff rates (exercise of the standard taxation option in Item 8.1 or 8.2 of Form E 1 and entry in code **780** or **500**, respectively) or not (e.g. for real estate by entry in code **961/551** in Form E 1).

14 In the case of income from the non-agricultural surrender of use of real estate (e.g. ski slopes), only the taxable portion is to be recognised.

Here income received from an infrastructure operator in the electricity, gas, oil and district heating sectors for the granting of a **line right-of-way** (§ 107) that is subject to the withholding tax is not to be entered. If the standard taxation option (Item 8.3 of Form E 1) is exercised, the pro rata income is to be entered into the respective participant's Supplement E 11 (K 11).

15 An adjusted net gain/loss carried forward is to be determined only if there is a change from full flat-rate taxation to full income-expenditure accounting (and vice versa) or from partial flat-rate taxation to balance sheet accounting (and vice versa). Within flat-rate taxation, no adjusted net gain/loss carried forward is to be determined in case of a change from full to partial flat-rate taxation (and vice versa). Adjusted net losses carried forward must as a rule be considered over a period of seven years. The respective one-seventh amounts are to be entered in code **9242**. Adjusted net gains carried forward are to be entered in code

9010. Adjusted net losses carried forward are to be entered in code **9010** only (to the full amount) if no apportionment of one-seventh amounts is to be made (e.g. in the case of a sale or discontinuation of a business); in this case no entry in code **9242** is permitted.

16 If the agricultural and forestry flat rate is used, the tax-free profit allowance is available only in the form of the **basic tax allowance**. It amounts to 13% of the assessment basis, but not more than € 3,900.

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

- The decisive factor is as a rule the lump-sum profit calculated without taking consideration of any gain on disposal or relinquishment.
- Operating **capital yields** (fructus, e.g. distributions by an agricultural cooperative) are to be considered in the assessment base for the basic tax allowance only if they are taxed at the tariff rate on the basis of a standard taxation option in accordance with Item 8.1 of Form E 1 and in this case are to be recorded in code **9745** and taken into account as part of the flat-rate profit determination.
- **Capital gains** relating to operating **capital assets** (e.g. from the sale of a share in an agricultural cooperative) must be considered in the assessment base for the basic tax allowance, irrespective of whether on the basis of a standard taxation option in accordance with Item 8.1 of the Form E 1 they are taxed at the tariff rate (and in this case to be recorded in code **9745** and to be used within the framework of the flat-rate profit determination), or whether they will be taxed at 27.5% and Form E 1 must be recorded in code **946**.
- **Capital gains** relating to **business premises** (e.g. from the sale of a piece of land from agricultural and forestry business assets) are to be considered in the assessment base for the basic tax allowance in the same way as capital gains relating to business capital assets, irrespective of whether they are based on a standard taxation option pursuant to Item 8.2 of Form E 1 are taxed at the tariff rate (and in this case must be recorded in code **9746** and taken into account in the context of the flat-rate profit determination), or whether they are taxed at the special tax rate – without exercising the standard taxation option in accordance with Item 8.2 of Form E 1 – and are to be reported in Form E 1 in the code applicable to capital gains from business premises.

Please note the following in the case of the existence of **capital gains** concerning business **capital assets** and **business premises**, if these are taxed at the special tax rate:

In this case, the basic tax allowance, if and insofar as it is attributable to these profits, is to be deducted from this income and may insofar not reduce the income subject to tariff tax. In code **9221**, only the basic tax allowance to be allocated to income subject to tariff tax may be considered in this case. The part of the basic tax allowance that relates to preferentially treated capital gains must be considered when determining the value to be entered in the relevant codes of Form E 1.

Example:
The flat-rate profit without consideration of a real estate sale amounts to 2,000. A profit of 18,000 is achieved from the sale of the property, which is taxed at 30%. The basic tax allowance is to be determined as follows: The assessment base for the basic tax allowance is the (total) operating profit, i.e. 20,000. The basic tax allowance therefore amounts to 2,600. 10% of this is to be allocated to the profit of € 2,000 subject to tariff tax. Hence, 260 are to be entered in code 9221. The income from agriculture and forestry from Supplement E 1c therefore amounts to 1,740. In Form E 1, in code 961 the profit of 15,660 from the real estate sale is to be entered (€ 18,000 minus 2,340, which is 90% of the allocated basic tax allowance).

If capital gains are taxed at tariff rates (entry in code **9745** or **9746**, respectively), the basic tax free amount is not allocated. If the lump-sum profit without privileged capital gains is 0, the basic tax allowance is attributable to the privileged capital yields to its full amount.

17 Gains from the **sale** (discontinuation) of the entire business or a part thereof, and gains from the sale of a co-entrepreneur share are not included in the flat-rate taxation.

18 If the entire business is sold or discontinued, a tax allowance of up to € 7,300 (or a proportionate tax allowance in the case of the sale of part of the business) can be considered in code **9021**. The tax allowance may not be higher than the gain on disposal pursuant to code 9020.

19 The apportionment of the lump-sum income is based on the stated participation ratio, and no income from real estate sales for business purposes to which the special tax rate is applicable was considered in the determination of the share of the profit/loss.

If this checkbox is filled in, the lump-sum profit will be apportioned to the participants in accordance with the **stated participation ratio** in the official decision.
If the participation ratio has changed, the changes are to be notified using Form Verf 60.

20 The apportionment of the lump-sum income is not based on the stated participation ratio, and/or income from real estate sales for business purposes to which the special tax rate is applicable was considered in the determination of the share of the profit/loss.

If this checkbox is filled in, the flat-rated profit will be apportioned to the participants in the decision issued in accordance with the declaration according to the **information given here**. Please note that a separate apportionment of the lump-sum income must always take place even if the profit includes income from **real estate sales** to which the special tax rate is applicable. The relevant taxation at the special tax rate or at the tariff rate (on the basis of a standard taxation option in accordance with Item 8.2 of Form E 1) is carried out in the income tax assessment.