Global Template Configuration

Austria

SAP Concur

Last Updated: December 2018
## Revision History

<table>
<thead>
<tr>
<th>Date</th>
<th>Revision Notes / Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>12-Dec-2018</td>
<td>Updated VAT on Hotel Room Rates Effective 1-Nov-2018</td>
</tr>
<tr>
<td>01-Jul-2016</td>
<td>Added new reduced VAT rate of 13%</td>
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</table>
Disclaimer

The Concur Global Template consists of Expense configurations designed to support the most commonly known configuration and statutory requirements for supporting T&E best practices. The system includes support for specific statutory requirements based on our understanding of “common interpretation” gathered from our experience of in-country legislation through the deployment of Concur into this market. The Country Template represented in this guide is intended to provide customers with a starting point to aid in the deployment of their T&E solution, and should in no way be construed as tax or compliance advice for your business. The template configuration may need to be adjusted to match the requirements of your business, and any legal or statutory requirements should be confirmed with your company’s tax accounting and/or compliance departments before being authorized for configuration into your Concur Expense system.

Updates

Rates and/or regulatory requirements provided as part of the Templates are not guaranteed to be up to date, so any information provided should always be verified by the customer against the current government regulations. Updates are applied through on-going partnership with in-country Concur product marketing teams, liaison with implementing customers, and through collaboration across the various Concur implementation teams deploying in these countries.

The timing of updates can vary by country and feature. For example, certain countries provide regular annual updates to statutory travel allowance and mileage rates, while the rates in other countries are less frequently updated. VAT rate updates are typically less frequent or predictable and can occur at any time and are quite often dependent on broader economic situations. Tax authorities do however typically provide advanced warning where VAT rate or rule changes come into effect to allow businesses time to prepare.

Every effort is made to ensure that where updates are known to Concur that these are applied to the latest version of the template in a timely fashion. Where updates have been applied these will be reflected in any available template documentation.
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Best Practice VAT Configuration Options

VAT Considerations

The intention is to pre-configure the VAT within the Template environment using pre-configured elements to support the statutory VAT requirements in Austria. This will assist with ensuring that users enter the correct information before auditing to ensure compliance with the tax regulations for reclaiming VAT.

Concur will provide recommended best practices for configuring the environment for Austria based on the following model:

- Best Practice configuration options - specific data entry fields and audit rules (where applicable) to control compliance before the expense claim is audited or processed
- 3 Receipt Types (Tax Receipt, Receipt and No Receipt)
Expense Types with Special VAT Handling

Special VAT conditions and data entry requirements for which we include special pre-configured tax handling in the template system

Airfare / Public Transport/ Train

VAT is only applicable on Airfare/Public Transport/Train expenses where the destination is domestic and the ticket is purchased within Austria. Even if the City of Purchase selected by the user is within Austria, if the trip is overseas (International) then no VAT is applied. In order to assist in providing the necessary information to calculate VAT on Airfare/Public Transport/Train the user will be required to select from the following options in a drop-down field:

- Domestic Trip
- International (No VAT)

Based on the selection of the value the system will calculate the VAT. Based on the selection of the Receipt Status the system will calculate whether the VAT is reclaimable.

**NOTE:** For Airfare only the Reduced Rate of VAT increased from 10% to 13% effective Jan-01-2016. The 10% rate of VAT applies for Public Transport and Train expenses.

**NOTE:** There is some suggestion that the domestic portion of an international trip where the ticket is purchased in Austria should still be tracked for VAT (Public Transport only). Concur is unable to support this as VAT cannot be calculated on a portion of an expense unless the user physically itemized the expense into 2 entries (the domestic portion where the VAT field as set to "Domestic Trip" and the international portion where the VAT field is set to "International (No VAT)").

Non-Reclaimable Expenses (Standard)

Gifts-Clients, Fuel and Laundry expenses have the Standard rate of 20% VAT applied however these are non-reclaimable. These expense types will be setup in a separate VAT Group which sets the reclaim to 0% irrespective of the Receipt Type is selected.

Non-Reclaimable Expenses (Reduced)

Entertainment – Clients expenses have the Reduced rate of 10% VAT applied however these are non-reclaimable. These expense types will be setup in a separate VAT Group which sets the reclaim to 0% irrespective of the Receipt Type is selected.
Staff Entertainment and Gifts/Awards

Staff Entertainment and Gifts can be taxed at either the standard 20% rate or the reduced 10% rate (for example the meals element of entertainment would be 10% but the drinks 20%, or depending on the type of gift or entertainment a different rate could apply).

In order to assist in providing the necessary information to calculate VAT the user will be required to select from the following options in a drop-down field:

- Standard
- Reduced
- International (No VAT)

Based on the selection the system will calculate the VAT. Based on the selection of the Receipt Status the system will calculate whether the VAT is reclaimable.

An audit rule will control whether the expense is Domestic to ensure that the user selects either Standard or Reduced (and not International).

Fixed Meals (Per Diem)

VAT is applied at the 10% rate for Fixed Meals for Domestic Trips only. 100% VAT is recoverable with or without accompanying receipts.

Newspapers/Magazines/Books

The VAT rate for Newspapers, Magazines and Books varies depending on what is purchased. VAT on Books is calculated at 10% while for Newspapers and Magazines the rate is 0%.

In order to assist in providing the necessary information to calculate VAT the user will be required to select from the following options in a drop-down field:

- Books
- Newspapers/Magazines

Meals & Alcohol

Meal expenses are typically taxed at the reduced 10% rate however in some cases any alcoholic beverages purchased as part of the meal are still subject to the standard 20% rate.

In order to assist in providing the necessary information to calculate VAT the user should itemize meals expenses where they include Alcoholic Beverages. In doing so they should declare the gross amount (inclusive of VAT) spent on alcohol as a separate itemization. **NOTE: A separate itemization wizard is available upon request to assist the user in this process.**
Expense Types without Special Handling

**Standard 20%**
- Alcoholic Beverages
- Car Maintenance/Repairs
- Car Rental
- Courier/Shipping/Freight
- Currency Exchange Fees
- Marketing/Promotional Costs
- Mobile Phone
- Office Equipment/Hardware
- Office Supplies/Software
- Online Fees
- Parking
- Passports/Visa Fees
- Printing/Photocopying/Stationery
- Seminar/Course fees
- Telephone/Fax
- Tuition Reimbursement

**Reduced 10%**
- Breakfast
- Dinner
- Hotel *(effective up to Apr-30-2016 and from Nov-1-2018)*
- Individual Meals
- Lunch
- Professional Subscriptions
- Taxi

**Reduced 13%**
- Hotel *(effective May-1-2016 to Oct-31-2018)*

**Zero/Exempt 0%**
- Airline Fees
- Bank Fees
- Miscellaneous
- Personal Car Mileage
- Postage
- Tips/Gratuities
- Tolls/Road Charge
**Exclusions**
Special VAT conditions for which we do not include special tax handling conditions:

**Fixed Meals (Per Diem)**

VAT is applied at the 10% rate for Fixed Meals for Domestic Trips only. 100% VAT is recoverable with or without accompanying receipts. However the rules within Austria determine that for international trips the employee is also entitled to a partial domestic allowance for the number of hours spent within Austria when travelling overseas. Concur is unable to calculate the VAT for this domestic portion as a single day allowance is tracked in the system as either Domestic or International (the domestic portion is tracked separately only for allowances and not for VAT handling). Even though the daily allowance expense may include part domestic and part international elements, the single resulting expense entry for that day is marked as Foreign, therefore no VAT is applied.

**Car Maintenance/Repairs**

This expense type is configured to reclaim 100% based on the Standard 20% rate of VAT. Please note that this does not take into account Insurance/MOT/Road Fund Licence which is not subject to VAT in Austria.

*NOTE: If customers wish to track Insurance and MOT charges separately this will require working with your Concur Implementation Consultant to scope the additional configuration work required.*
Expense Types Not Activated

The following are a list of standard Expense Types not activated for Austria:

- Company Car Mileage
- Ex Pat Expenses
- Fixed Lodging
- Medical fees
- Non Reimbursable Expense
- Relocation Expenses

Customers who wish to activate these expense types must request this via their Readiness Consultant or Implementation Project Manager.
Travel Allowance

Common Practice

The Austrian government publishes allowance limits for meals and lodging that can be reimbursed to the employee without tax consequences. Any amounts above these limits are considered taxable income to the employee and must be tracked.

The typical method of reimbursement is fixed allowances for meals and actual expenses for lodging.

Our standard template for Travel Allowances includes the following additional features:

- Fixed Meals Allowances based on Government Published Tax Free Rates
- Inclusive of Provided Meal Deductions
- Support for Definition of Border Crossing Times
- Support for Definition of a Day as Calendar or 24 Hour periods
- Option to define Definition of a Day for Domestic and International
- Option of Overnight Allowances
- Option for Extended Trips based on Individual Trips Exceeding X days
- Option for Domestic Extended Trips based on Days in a Calendar Month

For more information please see the section Allowance Rules Overview

**NOTE:** The government chambers of commerce have numerous collective treaties with the various unions in the country; these collective treaties may modify the rules regarding travel allowances. Company agreements with the employees may also affect the rules, if the collective treaty allows for company agreements. If customers wish to configure travel allowance for a collective treaty this will require working with your Concur Implementation Consultant to scope the additional configuration work required.

Allowance Rates

The Austrian government publishes the lodging and meals allowance amounts on an annual basis for all domestic locations and specific international countries and cities. Historically, these rates are very infrequently revised.
Allowance Rules Overview

The following is a brief overview of the core rules and calculations provided as part of the standard Austrian travel allowance solution. For further information, or to review the rules in greater detail, please refer to the Travel Allowance Configuration Guide for Austria.

- All Austrian travel allowance calculations are based on the number of hours for that day of travel.
- If the total trip duration is less than 3 hours, then no allowance is granted.
- If the total trip meets this minimum, then the allowance is calculated at 1/12 of the allowance up to a maximum of 12/12 per day.
- The definition of a “Day” for Domestic Allowances is based on the Calendar Date method (i.e. a new allowance day commences on/after midnight).
- The definition of a “Day” for International Allowances is based on the 24 Hour Period method. A day of travel is defined as a period of no more than 24 hours beginning from the time that the employee sets out on a business trip from his workplace or home. A day of travel ends at 24 hours (when the next day commences) or when the employee returns from a business trip to his workplace or home.
- If several countries were visited during the same day, the last country visited that day determines the travel allowance rate.
- The day of return travel gets the travel allowance rate of the last location visited (where the traveller spent the previous night).
- The foreign allowance location is based on the location where the day of travel ends.
- If multiple trips occur on the same day, each trip is calculated independently of the other based on the number of hours travelled for that trip and day but with a maximum allowance of 12/12 per day.
- If the duration of a business trip to a foreign country does not exceed 5 hours, the entire trip is treated as a domestic trip.
- A foreign business trip commences at the moment of crossing the border or take-off (plane). The rest of the trip (to/from the airport or border) is qualified as domestic trip to which the rate of 1/12 of the domestic allowance (€ 2,2) per hour applies (up to the normal limitations of 12/12 per day)
- Foreign rates (Meals and Overnight) are published by the government for selected locations, and the same rules are applied to foreign trips as for domestic trips.
- For a day with both domestic and foreign travel, the foreign allowance takes precedence for the day. However, the domestic portion of a foreign trip (the time to/from the border or airport) is entitled to a domestic allowance when the foreign travel for the day does not qualify for a full (12/12) foreign allowance.
- Overnight Allowance is supported for Austria, where an alternate lodging allowance can be given to the employee instead of a lodging allowance when
they stays with friends & family or in other lodging arrangements other than a hotel. NOTE: Overnight is not active as standard, but the option exists to activate this for your Austrian Travel Allowance solution.

- For any meals that are provided to the employee via tax-free grant or meal voucher, the meals allowance should be reduced by the applicable meal amount. For Domestic Trips deductions only apply for Lunch and/or Dinner, set to a value of €13.20. During foreign travel, the allowance will not be reduced unless both lunch and dinner are provided (breakfast is not considered). In this case, the allowance amount will be reduced by 2/3, so only 1/3 of the fixed meals amount is allowed to be paid to the employee tax free.

- The option exists to have fixed meals/travel allowance expenses for each day itemized to show the individual breakdown of the gross allowance amount as well as total deductions or additional overnight allowances (each as separate itemized expenses). This is to support requirements in some companies to post separate GL Account Codes to individual elements of the allowance (most commonly the additional Overnight portion).
Special Considerations

Extended Trips

Extended stay rules differ greatly based on collective treaty between the applicable governmental chamber of commerce and the unions, and these collective treaties override the general government rules.

It is not possible to support all variations on extended stays within a standardized service. Therefore, the service provides variables that can be configured to meet the majority of client requirements. These include:

- Domestic Number of Days in a Trip
- International Number of Days in a Trip
- Number of Domestic Days in a Calendar Month

**NOTE**: By default no Extended Trip functionality is activated. If customers wish to configure travel allowance to support extended trips this will require working with your Concur Implementation Consultant to scope the additional configuration work required.

Definition of a Day of Travel

There are two different definitions for a day of travel commonly in use within Austria; the system may be configured to use either one for Domestic or International trips.

**NOTE**: If International trips use the calendar date, then both domestic and foreign must use the calendar date. Concur does not support the combination of calendar date for foreign and 24 hour period for domestic.

- **24-hour period**: A day of travel is defined as a period of no more than 24 hours beginning from the time that the employee sets out on a business trip from their workplace or home. A day of travel ends at 24 hours (when the next day commences) or when the employee returns from a business trip to his workplace or home. For example, if the traveller departs on day 1 at 4:00 P.M. then the first day of travel is the 24-hour period until the following calendar date at 4:00 P.M., when the second day of travel commences.

- **Calendar date**: The travel allowance day can be the 24 hours of the calendar date.
Exclusions

Overnight Allowance and Hotel Check

It is currently not possible to flag to the employee, approver or processor instances of where a user attempts to claim an Overnight Allowance on the same date as a Hotel/Lodging expense. In most countries the concept of an “Overnight Allowance” is an addition to the Fixed Meals allowance for when an employee stays with Friends and Family. As Concur treats the Overnight as part of the daily meals allowances it is not possible to use the standard Exception Rule to compare a Meals expense with a Lodging expense on the same date.

The current workaround is to activate the itemization of Fixed Meals so that the Overnight amount is saved as a separate expense on the report. An audit rule can then be flagged to the approver/processor upon submission to highlight any expense reports which include both Hotel/Lodging and Overnight expenses (this will not check that they occur on the same date, only that they both exist on the claim).

Collective Labour Agreements

The government chambers of commerce have numerous collective treaties with the various unions in the country; these collective treaties may modify the rules regarding travel allowances.

Company agreements with the employees may also affect the rules, if the collective treaty allows for company agreements.

NOTE: If customers wish to configure travel allowance for a collective treaty this will require working with your Concur Implementation Consultant to scope the additional configuration work required.
Mileage Rates

Personal Car Mileage

Personal Car Mileage in Austria is pre-configured with the following rates:

<table>
<thead>
<tr>
<th>Vehicle Type</th>
<th>Rate Per KM</th>
<th>Per Passenger</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car</td>
<td>0.42 EUR</td>
<td>0.05 EUR</td>
</tr>
</tbody>
</table>

Update as of January 1st 2011

Company Car Mileage

No statutory Company Car Mileage rates are configured as part of the Template for Austria.