

Austrian Government's New Package of Measures Provides Fresh Impetus for Austria as a Business Location

On the basis of the new package of measures, the Austrian Federal Government plans to increase the research premium to 14%, introduce an employment bonus to reduce auxiliary wage costs and implement further measures designed to strengthen the business location.

Research premium increased to 14%

The first preliminary conclusions drawn from an evaluation of the research premium demonstrate the positive effects of these measures on Research Location Austria. Starting in 2018, the research premium will be raised from 12% to 14% as a means of further promoting research activities on the part of Austrian business as well as to securing and expanding the number of qualified jobs.

Employment bonus

Auxiliary wage costs will be decreased further following the phased reduction of auxiliary wage costs to the amount of EUR 1 billion. An employment bonus for creating additional jobs will be introduced. For every additional job created (full-time equivalent) beginning in July 2017, the company will be reimbursed for 50% of the auxiliary wage costs over the next three years. This applies to all employees who are subject to municipal taxation. The project will be handled by "austria wirtschaftsservice" (aws).

Investment promotion – accelerated depreciation

In order to offer investment incentives, the possibility of accelerated depreciation will be created for companies with more than 250 employees. These firms will be able to claim an accelerated tax depreciation (or the option of an incremental investment tax credit) of 30%. Limiting the duration of the measure to the period March 1, 2017 to December 31, 2017 is designed to provide targeted investment incentives in the year 2017. Investments in material assets will be encouraged (with the exception of buildings and vehicles). Small and medium-sized enterprises will benefit from the previously approved incremental investment tax credit for the years 2017 and 2018.

Austria will be the 5G trailblazer

Thanks to the Digital Roadmap and the broadband strategy, the federal government is committed to ensuring a well-developed and affordable digital infrastructure.

A 5G strategy including specific implementation measures will be formulated and defined no later than the end of 2017. Digital applications in various areas such as eGovernment, eHealth, automated driving and Industry 4.0 will provide valuable use cases for 5G. Their implementation will be prioritized.

Initial tests by telecommunication providers should already be carried out starting in 2018. 5G is expected to be available in every provincial capital by the year 2020.

Stop the flood of regulations

The federal government is committed to sustainably relieving the burden on citizens and companies arising from bureaucratic red tape and the flood of regulations. For this purpose, an enabling act will be passed to take these objectives into account.

Employee protection

An amendment to the Employee Protection Act (ArbeitnehmerInnenschutzgesetz), the Labor Inspection Act (Arbeitsinspektionsgesetz), the Working Time Act (Arbeitszeitgesetz) and the Act on Rest Periods (Arbeitsruhegesetz) is scheduled to be passed in the first half of 2017. Negotiations on other laws and regulations relating to technical aspects of employee protection rights will begin immediately. The underlying aim will be to practically relieve the burden on all stakeholders, especially companies.