

Report on TEA Tax Evening, 21 April 2009 by Candy Fresacher

A small number of people got together to hear about information on tax advice. Although the program was originally thought to have been in German, Ms. Jasch was kind enough to speak in English for the benefit of those who attended whose German was not as good as their English. It was also decided, at the end of the evening, that we would do the program again in the autumn in case people had been put off by the German-only notice.



Ms. Jasch gave the group the basic facts about taxes. She explained that gross income, turnover, *Einnahmen*, needed to have social security and taxes taken off before one could talk about net income or “profit” of a person.



She explained that in 2008 one had to earn €10,000 in order to be required to pay taxes, but that if one earned €7,450 one was still required to pay social security payments. If one earned money from an employment (*angestellt*) contract and elsewhere, then one needs to start paying social security monies above the amount of €4,200 for extra work done.

She also explained the 3 types of contracts you could have. If you were employed (*angestellt*) it would mean that the employer would also be taking out your social security and taxes from your gross income, paying you a net income into your bank account. The two other types of employment contracts would be: the *Freie Dienstvertrag* and the freelancer with *Honorarnote*. If you work with a *Freie Dienstvertrag* than the employer does take out social security (including accident insurance) but not taxes. If you are freelance with an *Honorarnote*, then you are responsible for paying both social security and taxes as appropriate.



With regard to deductions – expenses that you can set against your gross income to make “profit” smaller, and therefore the amount of money you need to pay taxes on, less – generally speaking if you do not have a lot of expenses you can take off 12% from your gross income. Otherwise, you should keep receipts for everything and try to see how many of your expenses might be needed as part of your professional life. Naturally membership fees to professional organizations such as TEA can be deducted. If you ride your bicycle to work you can also deduct *kilometergeld*! Other tips were equally useful.

At the end of the program Ms. Jasch offered each participant the chance to ask very specific questions related to the individual’s own tax problems.

It was a very informative evening that is sure to save those who attended a lot of money. Should you be interested in contacting Ms. Jasch her details are shown below.

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Preferred method of contact: email to Ms. Jasch or Ms. Damjanovic at: office@oecoaccount.at