

## **Basic-Information about the estimation of the quality and natural productivity of agricultural soils (Bodenschätzung) in Austria**

Since 1947 an estimation of the quality and natural productivity of agricultural soils has been carried out in Austria, primarily for tax purposes. The periodically up-dated results of the soil assessment are documented in the Soil Taxation Register ('Schätzbuch') and in soil taxation maps. Soil assessment data are not only used for the taxation of agricultural property, they also include basic ecological information about soils and are used to tackle cases of land reform, subsidies, compensation, regional planning, groundwater and soil conservation, tasks of environmental conservation, scientific projects and as a basis for site-adapted soil management. The soil taxation data have been investigated with a high degree of continuity and comparability and updated by periodical investigations in large areas of Austria. Furthermore, the co-operation with the Federal Surveying Office and the direct reference to the cadastral map permit high geometric precision. The digital translation of the soil assessment data, which has already been started, will allow to link them to other data of the digital cadastral map and will permit a wide range of use of the data.

### **Flat rate taxation and agriculture**

Flat rate taxation has always played an essential role for Austrian farmers. To understand the principles of flat rate taxation it is absolutely necessary to make a few remarks on the essential figure, the so called assessed land value (German: Einheitswert)

The assessed land value is a fiscal value that is not only essential for flat rate taxation, it also plays a key role for other taxes and contributions such as land tax, contributions to the farmers' union, contributions to the national health service, gift tax, church tax etc.

The assessed land value is calculated according to the evaluation act from 1955, methods and kinds of calculating have changed over the last few decades.

When evaluating a piece of land there is a basic figure

Basic figure ( German: Grundzahl)
-----------------------------------

This basic figure stands for the soil quality of a certain piece of land, write ups or write downs have to be made when a rich or a very poor harvest can be expected on that piece of land. The basic figure +/- write ups or write downs makes up the

Field or meadow figure (German : Grünlandzahl bzw. Ackerzahl)
---

The field or meadow figure has to be multiplied by the number of acres, the figure resulting from this multiplication is the

Estate income figure (German: Ertragsmesszahl)
--

A farm may have several estate income figures. The sum of all estate income figures divided by the area of the farmland in Ar ( 1 hectare = 100 Ar) makes up the

Soil figure ( German : Bodenklimazahl)

Soil figure + Expected harvests +/- write ups or write downs make up the

Business figure (German : Betriebszahl)

Business figure compares the profitability of a certain farm in addition to pilot farm of same size and profitability

Business figure multiplied by a certain write up per hectare makes up the

Figure per hectare (German: Hektarsatz)

Figure per hectare multiplied by the total surface of farmable land makes up the

Comparable figure (German: Vergleichswert)

Comparable figure +/- write ups or write downs, additional consideration of agricultural species of rural property that has not been considered so far make up the

**Assessed land value of a farm ( German: Einheitswert)**

Austrian farmers are taxed according to the flat rate system to an extent of 95% at least, when they fulfill the essential criteria they can either opt in for a **complete** or for a **partial flat rate taxation**.

### **Complete flat rate taxation**

Each single farmer whose farm doesn't exceed an assessed land value of 65.500 € can opt in for a complete flat rate taxation. Basic principles of flat rate taxation have been developed and are well accorded between the farmers' union and the tax offices.

Complete flat rate taxation means, that the annual net profit is realized without recording income, a basic amount is realized according to the assessed land value.

Starting with the assessed land value, write ups or write downs for leased farm land are made, in a further step criteria such as the area of the farmable land, special kinds of selling and marketing rural products, a certain culture amongst horticultures or a certain species of customers have to be considered as well.

It's of course very popular to opt in for a complete flat rate taxation. That's why many farmers tried to share their farmland, when the assessed land value was too high. This trick of course was not accepted by the tax office, there must be other than fiscal reasons in case of sharing farmland, otherwise the sharing will not be acknowledged by the tax offices.

When opting in for a complete flat rate taxation, a certain percentage of the assessed land value

0 to 15.000 €.....	37%
more than 15.000 € up to 36.500 €.....	4%
more than 36.500 € up to 65.500 €.....	45%

is regarded as profit, taxable according to the applicable tax rate.

Leased farmland has to be considered as well, write ups or write downs have to be made by the landlord as well as by the tenant.