Information leaflet
on the withholding of tax in relation to construction work

Preliminary remarks

The Act to Curb Illegal Activity in the Construction Sector (*Gesetz zur Eindämmung illegaler Betätigung im Baugewerbe*) of 30 August 2001 (Federal Law Gazette I, p. 2267) introduced the obligation to withhold tax to ensure the payment of tax claims in the context of construction work. The relevant provisions are contained in Division VII of the Income Tax Act (*Einkommensteuergesetz – EStG*) (sections 48 to 48d EStG). Additional issues regarding the application of the law are addressed in a Federal Ministry of Finance circular of 19 July 2022 (published in the Federal Tax Gazette 2022 I, p. 1229 et seqq.).

In accordance with the law, certain contracting entities for construction work in Germany must withhold taxes in the amount of 15% of the total consideration for the account of the company providing the construction work, unless an exemption certificate issued by the competent tax office has been presented.

Certain tax offices in Germany have centralised geographical jurisdiction for construction companies that have their registered office or place of management in a foreign country. This jurisdiction also covers the wages tax withholding procedure and the taxation of the income of employees of these companies who are resident in a foreign country.

The following sections describe the details of the tax withholding procedure, the crediting and potential refunding of the withheld amount, and the exemption procedure.

Which service recipients (contracting entities) are obliged to withhold taxes?

These provisions cover all legal persons governed by public law and all entrepreneurs as defined in section 2 of the VAT Act (*Umsatzsteuergesetz – UStG*) for which construction work is performed in Germany. Only construction work that the entrepreneur procures for their business is subject to these provisions. An entrepreneur is defined as anybody who independently performs commercial or professional activities. The business comprises the entire commercial or professional activity of the entrepreneur. Hence even entrepreneurs who do not file VAT returns (e.g. small businesses (section 19 of the VAT Act), farmers and foresters who pay flatrate taxes (section 24 of the VAT Act), and entrepreneurs that only generate tax exempt revenue from e.g. renting and leasing arrangements) are also obliged to withhold taxes.

Which services are subject to the withholding tax procedure?

Only construction services are subject to the withholding of tax. Section 48 of the Income Tax Act defines construction services as services that are used for the construction, restoration, maintenance, modification or destruction of structures (*Bauwerken*). This definition is taken from section 101 (2) of Book III of the Social Code (*Drittes Buch Sozialgesetzbuch – SGB III*). The definition in section 101 (2) of Book III of the Social Code is specified in more detail in sections 1 and 2 of the Construction Industry Ordinance (*Baubetriebe-Verordnung*). However, this does not mean that the obligation to withhold tax only applies to services provided by construction businesses that are eligible for winter construction subsidies. Rather, construction services provided by businesses that are excluded from winter construction subsidies pursuant to section 2 of the Construction Industry Ordinance are also subject to the withholding tax procedure. For more information on this subject, please see item 1.1 of the above-mentioned Federal Ministry of Finance circular.

Even services that are not construction services in themselves must be included in the withholding tax procedure if they are ancillary services to a construction service. Ancillary services are generally treated the same way as the principal supply that is the focus of the contract. For more information, please see item 1.1 of the above-mentioned Federal Ministry of Finance circular.

Sections 1 and 2 of the Construction Industry Ordinance are included in this leaflet as an annex to help you determine which activities should be considered construction services. The term “structure” (*Bauwerk*) should be interpreted broadly (Federal Labour Court ruling of 21 January 1976 – 4 AZR 71/75; Federal Fiscal Court ruling of 7 November 2019 – I R 46/17). According to these rulings, the definition of “structure” includes not only buildings but also all installations that are affixed somehow to the ground, or rest upon it by way of their own weight, that are created with building materials or building components by using construction tools and equipment.

The withholding tax procedure is not limited to contracts for work and services (*Werkverträge*). It must also be applied if the underlying contract for the construction service is a contract for work and materials (*Werklieferungsvertrag*) under civil law. It is also irrelevant whether performing construction services is the company purpose of the service provider or whether the service provider’s business mainly carries out construction services. The withholding tax procedure also applies even in cases where a person only performs construction services as an exception.

The service recipient must carry out the withholding tax procedure irrespective of whether the party performing the construction work (service provider) is resident in or outside Germany. Parties that invoice for the performance of a service without providing it themselves are also deemed to be service providers. Consequently, the provisions of the tax withholding procedure also apply to the service recipient even if the service recipient engages for the construction service a general contractor that does not operate as a construction business itself, but which invoices for work carried out by subcontractors. In this case, the general contractor is also a service recipient in relation to the subcontractors that it has engaged, and is therefore also obliged to withhold tax. Services performed by property developers are only subject to withholding tax if the party who purchases the services is the client for whom the structure is being built (*Bauherr*). A condominium association (*Wohnungseigentümergemeinschaft*) is required to withhold tax on any construction services that are provided for its joint property. If the contract to carry out construction work is only facilitated (e.g. by self-help institutions like machinery rings), it is the service recipient rather than the facilitator that is responsible for the withholding of taxes.

What is the rate of the withheld tax?

The service recipient must withhold 15% of the consideration. The consideration is deemed to be the fee for the construction work plus VAT.

The solidarity surcharge is not levied on the amount to be withheld.

What is the maximum consideration for which tax does not need to be withheld?

The service recipient is not required to withhold taxes if the total consideration to be paid to the respective contractor (service provider) in the current calendar year is not expected to exceed € 5,000. A threshold of € 15,000 applies to service recipients who generate only tax-exempt revenue from renting or leasing arrangements (section 4 (12) sentence 1 of the VAT Act).

When applying this threshold, the construction work that has already been performed, and the construction work that is expected to be performed, by the individual contractor for the same service recipient in the current calendar year must be added together. In the case of renting out housing, tax does not need to be withheld if the construction work is done on housing units that are rented out and the service recipient does not rent out more than two units.

When must the withholding tax be declared and remitted?

Under the rules in force since 1 January 2025, the service recipient must submit an electronic tax declaration to the tax office responsible for the service provider, via the ELSTER system (https://www.elster.de) and using the officially prescribed data set, by the 10th day of the month after the month in which the consideration was paid (declaration period). To avoid undue hardship, the tax office can, upon application, waive the requirement to submit the data set electronically. In this case, the service recipient must submit the tax declaration using the officially prescribed form. The relevant paper forms are available at tax offices. In the declaration, the service recipient must individually list the considerations paid to the service provider during the declaration period and must calculate the amount of taxes to be withheld for the declaration period on this basis.

The withheld tax is due on the 10th day following the end of the declaration period and must be remitted to the **cash office** responsible for the service provider, for the account of the service provider. **Information regarding the competent cash office may be obtained at** https://www.finanzamt.de.

The withholding of the tax amount must not be delayed until the final billing for the construction work. For the purposes of the Income Tax Act, a consideration is any payment made by the service recipient to the service provider. Therefore, any down payments or instalments made during the declaration period must also be recorded in the declaration. In the event that the consideration is subsequently increased, only the difference between the new consideration and the consideration that was previously declared needs to be declared in the declaration period in which the higher sum was paid (section 48a (1) of the Income Tax Act). If the consideration is reduced, no correction is required.

How does the service recipient account for the withheld tax?

The service recipient must provide the service provider with a written record accounting for the taxes withheld from the consideration. The following information must be provided:

1. The name and address of the service provider,
2. The billing date, the billing amount / the amount of the consideration paid, and the date of payment;
3. The amount of tax withheld, and
4. The tax office to which the withheld amount was declared.

The accounting statement is not an official tax certificate. Therefore, the service provider cannot justify any claim to having the withheld amount credited or refunded by presenting the accounting statement to the tax office. However, the statement facilitates the crediting of the withheld amount by the tax office.

To which of the service provider's tax obligations will the withheld taxes be credited?

Provided the service recipient has withheld and declared the appropriate amount of tax, the tax office that is responsible for the service provider will credit that amount towards the taxes that the service provider is obliged to pay. It will be credited towards the following taxes, in this order:

1. Wages tax withheld and declared by the service provider pursuant to section 41a (1) of the Income Tax Act,
2. Prepayments of income or corporation tax that the service provider needs to make. A credit can only be granted for prepayment periods that fall within the taxation or assessment period in which the construction work was performed. In addition, a credit to prepayments must not result in a refund.
3. Income or corporation tax due for the taxation or assessment period during which the construction work was performed, and
4. Withholding tax that the service provider itself is required to declare and remit for construction work in accordance with the withholding tax procedure.

The tax office can refuse to credit the amount if the declared amount was not remitted and there are reasons to suspect the system is being abused.

Under which conditions is the withheld tax refunded to the service provider?

The amounts of withheld tax which remain after crediting against pre-payments of wages tax, income tax or corporation tax, and after the annual assessment for income tax or corporation tax for the year in which the construction work was done, are refunded to service providers in Germany, if a set-off pursuant to section 226 of the Fiscal Code (*Abgabenordnung – AO*) is not possible.

Upon application, the tax office which is responsible pursuant to section 20a of the Fiscal Code will refund the withheld tax to a service provider that has their residence, place of management or registered office outside the territorial scope of the Income Tax Act. The preconditions for this type of refund is that the service provider is not required to file wages tax returns and an assessment for income tax or corporation tax is not possible, or that the service provider can plausibly demonstrate that no tax claims will arise during the assessment period for which security is required. If a refund is requested because the consideration is exempt from taxation in Germany on the basis of a double taxation agreement, the service provider must prove that they are resident in the respective foreign jurisdiction by providing confirmation of this from the foreign tax office that is responsible for them (section 48d (1) sentence 4 of the Income Tax Act). The request for a refund must be made at the latest by the end of the second calendar year following the year in which the withheld tax was declared, and must be made using the officially prescribed form. If the respective double taxation agreement grants a longer period, that period is applicable.

How may the service provider obtain an exemption from the withholding of tax?

The service recipient is not obliged to withhold taxes if the service provider presents an exemption certificate that is valid at the time of payment, even if the consideration exceeds the respective threshold of € 5,000 or € 15,000.

Upon request by the service provider (no specific form is required), the competent tax office must issue an exemption certificate using the officially prescribed form. The preconditions for this are that an authorised recipient in Germany must have been appointed (this does not apply to service providers who have their residence, registered office, place of management or habitual abode in a member state of the European Union or in a country where the Agreement on the European Economic Area applies) and the tax claim to be secured does not appear to be at risk. The main reasons that can lead to an exemption being refused, because the tax claim appears to be at risk, are listed in section 48b (1) sentence 2 of the Income Tax Act:

1. The service provider does not comply with their notification obligation pursuant to section 138 of the Fiscal Code. According to this provision, the competent local authority must be notified of the opening or relocation of a business or permanent establishment using the officially prescribed form. The local authority will in turn inform the competent tax office by providing them with a copy of the notification. If this notification is not carried out, it will hinder the registration of the service provider's business or permanent establishment for tax purposes. Under these circumstances, the tax office cannot issue an exemption certificate.
2. The service provider does not comply with their disclosure and notification obligations pursuant to section 90 of the Fiscal Code. It is not officially necessary to submit a written request in order to obtain an exemption certificate. However, the tax office uses a questionnaire to obtain the necessary information from service providers, especially those who were not previously registered for tax purposes, to determine whether tax claims that need to be secured are to be expected as a result of the withholding of tax and whether registration for tax purposes is necessary. If this information is not provided, or not provided in full, then, depending on the circumstances of the individual case, it must be assumed that the disclosure and cooperation obligations have been violated. In this situation, the service provider has no right to receive an exemption certificate.
3. A service provider resident in a foreign jurisdiction does not provide proof of residence for tax purposes by providing certification from the competent foreign tax office.

In addition to the circumstances listed above that are expressly specified in the Income Tax Act, a risk to the tax claim to be secured can also be deemed to exist if tax arrears exist on a sustained basis, incorrect information is detected in tax returns and declarations, or if the service provider repeatedly fails to submit tax returns and declarations or fails to submit them in a timely fashion.

The tax office will issue an exemption to service providers who demonstrate that they do not have any tax claims to be secured because their activity in Germany is only of a short duration, provided the assertion is internally consistent and does not contradict other information held by the tax office.

If an application for the issuing of an exemption certificate is denied, the tax office issues a rejection notice stating the reasons for the rejection.

How long is an exemption certificate valid for and what is its scope?

The tax office may issue exemption certificates with a validity of a maximum of three years as of the date of issue. It may also issue exemption certificates with a shorter validity or project-specific exemption certificates, if this is appropriate based on the circumstances of the individual case. An exemption certificate is only valid for a specific duration even in instances where it is issued for a particular project.

What is the procedure for the service provider and service recipient with regard to an exemption certificate?

The service provider must present the exemption certificate to the service recipient before any consideration is paid for the construction project if the service recipient is to refrain from withholding taxes. If the exemption certificate is not limited to a particular construction project, it is sufficient for the service provider to present a copy of the exemption certificate to the service recipient, or to send them the exemption certificate electronically. If the exemption certificate is limited to a particular construction project, then the service provider must surrender the original exemption certificate issued by the competent tax office to the service recipient named on the exemption certificate. The service recipient must check the exemption certificate, in particular to confirm that it is legible, has been affixed with an official seal and bears a security number. The service recipient may check whether the exemption certificate is valid by submitting an online inquiry on the Federal Central Tax Office's website (https://www.bzst.de) or by checking with the tax office stated on the exemption certificate.

The submitted copy or the original exemption certificate must be retained by the service recipient (for six years if they are subject to the accounting and record-keeping obligations pursuant to sections 140 et seqq. of the Fiscal Code).

Can the tax office revoke or cancel an exemption certificate?

The exemption certificate is generally only issued with the proviso that it may be revoked. An exemption certificate may be revoked if the tax office has reason to believe that tax claims may be put at risk if the exemption certificate continues to be valid.

If the exemption certificate was limited to a particular construction project, the tax office informs the service recipient of the revocation and the date from which the exemption certificate is no longer valid. Any considerations paid after this date are subject to the withholding of tax if the respective threshold is exceeded. The previously exempted considerations do not count towards this threshold.

If it transpires that the issued exemption certificate does not comply with the law, the tax office must revoke the exemption certificate pursuant to section 130 of the Fiscal Code. In these instances too, the tax office informs the service recipient specified in the exemption certificate that the certificate has been revoked (section 48b (4) of the Income Tax Act). Revoking the exemption certificate has the effect that the service recipient must then retroactively withhold tax for the considerations that were paid for the specified construction project before the exemption certificate was revoked. The service recipient must withhold the tax from the first consideration paid after the exemption certificate is revoked. If this consideration is not large enough to cover all the tax which should have been withheld,

the obligation to withhold tax ceases to apply to the amount which exceeds this consideration.

Can the service recipient check the validity of an exemption certificate?

The service recipient can check the validity of an exemption certificate by submitting an electronic query to the Federal Central Tax Office (https://eibe.bff-online.de/eibe). If the Federal Central Tax Office does not confirm the validity of the exemption certificate, or if the service recipient is unable to submit an electronic query, the service recipient can also ask the tax office specified on the exemption certificate whether the certificate is valid.

Is the service recipient liable for remitting the withheld tax?

Pursuant to section 48a (3) of the Income Tax Act, the service recipient is liable for a failure to remit part or all of the withheld amount. There does not need to be any fault on the part of the service recipient. During the liability procedure, the service recipient also cannot invoke the defence that the consideration could not be taxed in Germany on the part of the service provider due to a double taxation agreement because, pursuant to section 48d (1) of the Income Tax Act, the tax withholding procedure must be carried out regardless of whether such an agreement exists. The service recipient is liable even if the identity of the tax debtor is unknown.

The service recipient is not liable if, at the time the consideration was paid, they had been presented with an exemption certificate whose legality they could trust. The service recipient may not trust an exemption certificate if, in particular, the exemption certificate was obtained by dishonest means or by providing false information and the service recipient knew this, or should have known this but did not due to gross negligence.

What are the advantages of the withholding tax procedure for the service recipient?

The withholding tax procedure takes precedence over an order to withhold tax pursuant to section 50a (7) of the Income Tax Act. Hence this provision does not apply to construction work.

Section 160 (1) sentence 1 of the Fiscal Code does not apply if the service recipient has complied with their obligation to declare and remit the withheld tax, or if the service recipient had been presented with an exemption certificate that was valid at the time the consideration was paid. As a result, the prohibition on deducting operating expenses does not apply to the consideration in question.

If the service recipient has declared and remitted the withheld tax even though no construction work as defined in section 48 (1) of the Income Tax Act existed, section 48 (4) and section 48b (5) of the Income Tax Act do not apply; in other words, the deduction of operating expenses may be denied. In situations involving the supply of temporary workers, the company which uses the temporary workers (hirer) may also be liable pursuant to section 42d (6) and (8) of the Income Tax Act.

Which tax office is responsible for the tax withholding procedure?

The withholding of tax in the context of construction projects is administered not by the tax office responsible for the service recipient (client) but by the local tax office responsible for the service provider (contractor).

- The service recipient must declare and remit the withheld tax to this tax office (section 48a (1) of the Income Tax Act);
- This tax office issues the liability notice for any withheld tax that was not, or only partially, remitted (section 48a (3) sentence 4 of the Income Tax Act);
- Upon application by the service provider, this tax office issues an exemption certificate, and it is responsible for revoking or cancelling this exemption certificate (section 48b of the Income Tax Act);
- This tax office credits the withheld amount to the taxes owed by the service provider (section 48c (1) of the Income Tax Act);
- Upon application by the service provider, it refunds the withheld amount to the service provider if it has its residence, place of management or registered office outside the territorial scope of the Income Tax Act (section 48c (2) of the Income Tax Act); and
- It is responsible for auditing the withholding of tax (section 48a (4) in conjunction with section 50b of the Income Tax Act).

Which local tax office is responsible for the service provider (contractor)?

1. If the entrepreneur that provides the services has their residence or, if this does not exist, their habitual abode in Germany, then the tax office in the district where the entrepreneur has their residence or habitual abode is responsible. If the company providing the services is a corporation or association with its registered office and place of management in Germany, the local tax office in the district where the place of management is located is responsible. It is advisable to ask the service provider which tax office (cash office) is responsible for them. **This information, including information regarding the competent cash office, can also be requested at** https://www.finanzamt.de.
2. Centralised jurisdiction in Germany exists if the entrepreneur providing the service is resident in a foreign country, or the company providing the service (corporation or association) has its registered office or place of management in a foreign country. An overview is provided in the following table:

Residence, registered office or place of management	**Jurisdiction**
Republic of Austria	Munich Tax Office
Republic of Belarus	Magdeburg Tax Office
Kingdom of Belgium	Trier Tax Office
Republic of Bulgaria	Neuwied Tax Office
Republic of Croatia	Kassel-Hofgeismar Tax Office
Czech Republic	Chemnitz-South Tax Office
Kingdom of Denmark	Flensburg Tax Office
Republic of Estonia	Rostock Tax Office
Republic of Finland	Bremen Tax Office
French Republic and the Principality of Monaco	Offenburg Tax Office
Greece (the Hellenic Republic)	Berlin Neukölln Tax Office
Republic of Hungary	Nuremberg Tax Office
Republic of Ireland	Hamburg-North Tax Office
Republic of Italy	Munich Tax Office
Republic of Latvia	Bremen Tax Office
Republic of Liechtenstein	Konstanz Tax Office
Republic of Lithuania	Mühlhausen Tax Office
Grand Duchy of Luxembourg	Saarbrücken Am Stadtgraben Tax Office
Kingdom of the Netherlands	Kleve Tax Office
Republic of Macedonia	Berlin Neukölln Tax Office
Kingdom of Norway	Bremen Tax Office
Republic of Poland – letters A to G – letters H to Ł – letters M to R – letters S to Ż	 Hameln Tax Office Oranienburg Tax Office Cottbus Tax Office Nördlingen Tax Office

Residence, registered office or place of management	Jurisdiction
Portuguese Republic	Kassel-Hofgeismar Tax Office
Romania	Chemnitz-South Tax Office
Russian Federation	Magdeburg Tax Office
Kingdom of Sweden	Hamburg-North Tax Office
Swiss Confederation	Konstanz Tax Office
Slovak Republic	Chemnitz-South Tax Office
Republic of Slovenia	Oranienburg Tax Office
Kingdom of Spain	Kassel-Hofgeismar Tax Office
Republic of Türkiye	Dortmund-Unna Tax Office
Ukraine	Magdeburg Tax Office
United Kingdom of Great Britain and Northern Ireland and the Isle of Man	Hannover-North Tax Office
United States of America	Bonn-Innenstadt Tax Office
Any country or jurisdiction not listed above	Berlin-Neukölln Tax Office

* Based on the first letter of the family name or company name.

Annex

Construction services in the following sectors are in particular subject to the withholding of tax pursuant to section 48 (1) of the Income Tax Act, but only if they are used for the construction, restoration, maintenance, modification, or destruction of **structures**.

Section 1 of the Construction Industry Ordinance (*Baubetriebe-Verordnung*)

(1) ...
(2) Ground preparation and drainage work, for example the draining of properties and of land that is to be cultivated, including the clearing of drainage ditches and fascine work, the laying of drainage pipes as well as the construction of discharge and floodgate systems;
2a. Asbestos removal work in structures and parts of structures;
3. Construction drying, namely work performed on the fabric of stone- and brickwork to reduce moisture, including by using synthetic or chemical materials as well as the installation of dehumidifiers;
4. Concrete and ferro-concrete work including concrete protection and concrete restoration work as well as reinforcement work;
5. Drilling work;
6. Well construction work;
7. Chemical soil stabilisation;
8. Insulation work (this includes for example cold and heat insulation, noise insulation, sound absorption, sound improvement and sound refinement work), including the installation of support structures as well as technical insulation work, especially at technical installations and on land-based vehicles, aircraft, and watercraft;
9. Earthmoving work, including for example road building, land restoration and land reclamation work, dyke construction, torrent and avalanche control work, construction of sports facilities, and the erection of anti-noise barriers and the consolidation of verges along roads and streets;
10. Screed work, including for example work using cement, asphalt, anhydrite, magnesite, plaster, plastics, or similar materials;
11. Façade construction work;
12. Prefabricated construction work: installation or assembly of prefabricated construction elements to erect, restore, maintain, or modify structures; in addition, the manufacturing of prefabricated construction elements if they are to a large degree assembled or installed by that business, or another business in the same group of companies, or within conglomerates – regardless of the legal form of the company – by the business of at least one participating shareholder; this does not include the manufacturing of prefabricated concrete construction elements, prefabricated wooden construction elements used for the construction of wooden prefabricated structures and insulation elements in solid, immobile, and permanent places of work of the stationary operation type; section 2 no 12 remains unaffected;
13. Furnace and oven construction work;
14. Tile, panel and mosaic positioning and laying work;
14a. Grouting work on structures, especially grouting of brick facing and joints between prefabricated elements and brickwork as well as elastic and elastoplastic grouting of all kinds;
15. Work involving reinforced-concrete-and-glass gridwork and the laying and walling up of glass bricks;
16. Construction of railways and tracks;
17. Manufacturing of building materials that cannot be stored, such as for example concrete and mortar mixtures (ready-mixed concrete and ready-mixed mortar), if most of the manufactured building materials are used to supply construction sites from the manufacturing business, another business in the same group of companies, or within large conglomerates – regardless of the legal form of the company – the construction sites of the business of at least one participating shareholder;
18. Above-ground civil engineering work;
19. Wood preservation work on building components;
20. Sewer construction work;
21. Bricklaying work;

22. Pile driving work;
23. Pipe laying, underground pipe laying, underground cable laying, and pipe pushing work;
24. Shaft construction and tunnelling work;
25. Formwork and shuttering work;
26. Construction of chimneys;
27. Blasting, demolition, and clearance work; this does not include demolition and scrapping businesses whose predominant activity is the extraction of raw materials or the recycling of demolition materials;
28. Steel bending and tying work if performed to enable other construction work by the business or on construction sites;
29. Work involving posts, stakes and piles (*Stakerarbeiten*);
30. Stone masonry work;
31. Road construction, including, for example, stone, asphalt, and concrete road construction work, pavement work of any kind, road-marking work; in addition, the manufacturing and preparation of the mixtures, if most of the mixture is used to supply the business, another business in the same group of companies, or within large conglomerates of companies – regardless of the legal form of the company – the business of at least one participating shareholder;
32. Steamrolling work;
33. Stucco, plaster, and staff work including the installation of supporting structures and plaster base;
34. Terrazzo work;
35. Underground civil engineering work;
36. Drywall construction and prefabricated construction work (for example, wall and ceiling installation and the cladding thereof), including the installation of supporting structures and plaster base;
37. Flooring work in connection with other construction work;
38. Leasing of construction machinery with operating personnel, if the machinery and personnel are used to provide construction services;

38a. Exterior insulation and finishing system (external thermal insulation composite system) work;

39. Construction of waterworks, dewatering work, hydraulic engineering (for example construction of waterways, pools/ponds, and lock systems);
40. Carpentry work and timber construction carried out as part of a carpentry business;
41. Erection of construction hoists.

(3) The following are also deemed to be businesses and business divisions within the meaning of subsection (1):

1. Businesses that erect scaffolding;
2. Roofing businesses.

(4) Furthermore, horticultural and landscaping businesses that carry out the following work are also deemed to be businesses and business divisions within the meaning of subsection (1):

1. Creation of gardens, parks, and green spaces, construction of sports facilities, playgrounds, and cemeteries;
2. Creation of the entire outdoor area in housing construction and public construction projects, particularly at schools, hospitals, public swimming pools, roads/streets, motorways, railway facilities, airports, and barracks;
3. Securing of dikes, hill slopes, dumps, and embankments, including fascine work;
4. Biological engineering measures of any kind;
5. Planting shelter belts (protective plant cover) of any kind;
6. Drainage work;
7. Land restoration work;
8. Land reclamation and recultivation work.

(5) Businesses and business divisions within the meaning of subsection (1) are excluded from receiving support to promote year-round employment in the construction sector by means of seasonal short-time work benefit if they belong to an identifiable and significant group whose inclusion pursuant to subsections (2) to (4) during the “bad weather” period of the year would not lead to a stimulation of economic activity or to the stabilisation of the employment situation of workers affected by seasonal work shortages.

Section 2 of the Construction Industry Ordinance

In particular, support for year-round employment is not provided for businesses

1. in the preservation of buildings and iron structures sector;
2. that produce concrete and terrazzo materials, unless they have business divisions whose specific function is predominantly to carry out construction services within the meaning of section 1 (1) and (2);
3. in the exterior cleaning sector;
4. in the floor laying and parquet laying sector;
5. in the glazier sector;
6. in the installation sector, particularly in the areas of plumbing, air conditioning, gas installation, water installation, heating installation, ventilation installation and electrical installation, as well as lightning protection;
7. in the painting and decorating sector, unless they predominantly carry out construction services within the meaning of section 1 (1) and (2);
8. in the natural stone and stone masonry sector;
9. in the dredging sector;
10. that construct masonry stoves and warm-air heating systems;
11. in the acid protection engineering sector;
12. in the carpentry sector and the wood working and wood processing sector, including businesses engaged in the construction of prefabricated wood elements, unless they predominantly carry out prefabricated construction, insulation, drywall construction, prefabricated construction, and carpentry work;
13. in the pure steel, iron, metal, and light metal construction sector as well as the installation of overhead lines for transport, overhead power lines, local telephone networks and cables;
14. and in businesses that lease concrete unloading equipment on a commercial basis.