Schloss Leopoldskron was commissioned as a family estate in 1736 by the Prince Archbishop of Salzburg, Leopold Anton Freiherr von Firmian (1679-1744), a member of a Tyrolean noble family whose lineage can be traced back to 1185. The Scottish Benedictine monk Bernhard Stuart is regarded as Leopoldskron's master builder. The stucco work on the ceilings done by Johann Kleber are described as “the best example of rococo stucco the land can offer”.

Leopold Firmian was a great lover of science and the arts, but is most remembered for his role in the expulsion of more than 22,000 Protestants from the Archbishopric of Salzburg. Leopold’s harsh actions were noticed all over Europe and both Salzburg’s economy and the reputation of the Firmian family suffered severely as a result. The commission of Schloss Leopoldskron was, in part, an attempt by the Archbishop to rescue the social standing of his family.

A special law made the property an inalienable possession of the family. In May 1744, Leopold deeded the completed Schloss over to his nephew, Count Laktanz Firmian. After his death later in the same year, the Archbishop’s body was buried in Salzburg’s cathedral, but his heart remains below the Chapel of the Schloss, which, as is inscribed on the chapel floor, he “loved so dearly.”

Count Laktanz, a collector of art and an artist himself, enriched Schloss Leopoldskron with the largest collection of paintings Salzburg had ever known, including works of artists such as Rembrandt, Rubens, Dürer, and Titian. The Count was one of the first sponsors of Leopold Mozart and his son, Wolfgang Amadeus.

When Laktanz died in 1786, his son started selling the famous paintings and Leopoldskron experienced a time of decline. In 1837 when it was sold to George Zierer, owner of a local shooting gallery, who plundered the collections and removed most of the remaining valuable paintings, etchings, and sculptures. During the 19th century the Schloss passed through various hands, among them Ludwig I (the King of Bavaria), Carl Spängler, a well-known banker and two waiters who attempted to turn it into a hotel.

In 1918 the Schloss, which by that time had fallen into a state of severe disrepair, was sold to Max Reinhardt, Europe's most famous theater director and co-founder of the Salzburg Festival. Reinhardt committed his considerable creative talents to the restoration of the Schloss, and with the assistance of Salzburg artisans, he renovated the staircase, the Great Hall, and the Marble Hall.
The Library and the Venetian Room are Reinhardt creations, as are decorations in other salons. Max Reinhardt brought life to Schloss Leopoldskron in literal terms, with his theater productions, audiences, and many friends.

In the plays, Reinhardt made use of the entire Schloss by moving audiences from room to room, which were used as sets in and of themselves. He constructed a garden theater, with the lake and the Untersberg as backdrop, in what is now the Schloss park. During the Reinhardt years, Schloss Leopoldskron was an important gathering place for theatrical producers, writers, composers, actors, and designers from both Europe and abroad.

World War II brought an end to the Reinhardt era: in 1938 the Schloss was confiscated by the Nazi government as “Jewish property.” Reinhardt, who was living and working in Hollywood at the time, never returned to Leopoldskron, but his heart never left. Max Reinhardt died in New York City in 1943. In 1943 he wrote to his wife, the Austrian actress Helene Thimig:

I have lived in Leopoldskron for eighteen years, truly lived, and I have brought it to life. I have lived every room, every table, every chair, every light, and every picture. I have built, designed, decorated, planted and I have dreamt of it when I was not there. I have always loved it in a festive way, not as something ordinary. Those were my most beautiful, prolific and mature years ... I have lost it without lamenting. I have lost everything that I carried into it. It was the harvest of my life’s work.

During the war, Nazi authorities used the Schloss as a summer residence and guesthouse. In 1945, it was returned to the Reinhardt estate, and in 1946, Helene Thimig offered the use of Schloss Leopoldskron to Clemens Heller, a Harvard graduate student and visionary of the Salzburg Seminar.

The first Salzburg Seminar session took place during the summer of 1947, and offered not only education on American literature, art, history, and culture, but also a beautiful, calm setting, and nourishing food, two amenities enormously appreciated by participants from countries long at war. The success of the first session prompted the founders, Clemens Heller, Scott Elledge, and Richard Campbell, to gather funds for a second session in the summer of 1948. More than 22,000 Fellows have attended over 400 sessions, and, as Reinhardt’s son Gottfried noted:

The Salzburg Seminar combines the two worlds that made up the world of Max Reinhardt: Europe and America. It disseminates academically what Max Reinhardt embodied through his art [and] pays homage to the spirit of its abode. I could not imagine a more gratifying development.

The Salzburg Seminar purchased Schloss Leopoldskron in 1959. Since then the Schloss has undergone extensive restoration and renovation. In 1973, the adjacent Meierhof, part of the original Firmian estate, was purchased. Part of the Meierhof was renovated in 1988-1989 to provide housing for Fellows, and in 2000-2001 to create the Alberto Vilar Library and Computer-Center, modernize Parker Hall and provide adequate office space for Seminar Staff. When no Seminar Sessions are taking place, Schloss Leopoldskron serves as a setting for conferences, seminars and exclusive banquets.

Schloss Leopoldskron is a national historic monument of Austria.