Tax Agenda Slovakia

February 2025

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No.	Fact	Action
1	**Change in corporate income tax rates** A 24% rate will be applied to entities with an annual taxable income exceeding 5 million EUR, and a 10% rate will be designated for taxpayers with an annual taxable income not exceeding 100,000 EUR. For other taxpayers, the tax rate remains at 21%. This will come into effect on 1 January 2025. See more.	Assess the impact of the change in your CIT compliance.
2	**Change in valued added tax rates** Standard VAT rate will increase from 20% to 23%. A reduced tax rate of 19% is being introduced for electricity and certain food products, and the tax rate on specific food category, medicine, books, hotels, restaurants is being lowered from 10% to 5%. This will come into effect on 1 January 2025. See more.	Assess the impact of the change in your VAT compliance.
3	**The new Act on Financial Transaction Tax** The new Act on Financial Transaction Tax has been adopted and is set to come into effect on 1 January 2025, with the first tax period starting on 1 April 2025. Rates of 0.4% will be applied on bank transfers (with a maximum tax amount of EUR 40), 0.8% on cash withdrawals, and 0.4% on recharged costs from another person who made payments on behalf of the taxpayer related to his business activities in Slovakia. See more.	Assess the impact on the financial operations.
4	**Increase in the scope of the special levy** The amendment of the Act on Special Levy in Regulated Industries increased the scope of companies required to pay the special levy to include refineries and pharmaceutical companies. See more.	Assess the impact of the change in your special levy compliance.

Feb Mar Apr May

Use text boxes above the timeline to plan your actions for coming months

Compliance *Risk management* *Cash-flow and ETR impact*

No.	Fact	Action
5	**The "second chance" for tax subjects** The amended tax code introduced the institute of the second chance, which means that the tax subject will not be sanctioned for the first violation of selected offenses. The amendment entered into force on 1 January 2024 and concerns administrative offenses that occurred after 31 December 2023.	Assess the impact of the change to the tax code. Assess whether the company is considered reliable based on the tax reliability index and if so, how this could impact the severity of potential sanctions.
6	**Revision of the action plan for the development of electric mobility** Taxation on **non-monetary** benefits for employees using electric or plug-in hybrid vehicles has been approved to decrease from 1% to 0.5% of the vehicle's purchase price. Additionally, taxpayers are allowed to claim the cost of home electricity used to charge their electric vehicles as a tax-deductible expense. See more.	Assess the impact of the proposed changes on your current or anticipated e-fleet. Monitor the legislative procedure.
7	**Minimum tax** Slovakia transposed the provisions of Council Directive 2022/2523 of 14 December 2022 on ensuring a global minimum level of taxation of multinational business groups and large national groups in the EU. Based on this law, Slovak subsidiaries, the effective tax rate of which falls below 15%, will be taxed through a top-up tax in the Slovak Republic. The law came into effect on 31 December 2023. See more.	Assess whether your business will be affected by the top-up tax.
8	**Change in withholding tax rate on dividend payments to individuals** Withholding tax rate on the payment of dividends to individuals has been decreased to the original 7% from the increased rate of 10% set in 2024. The decreased tax rate is applied for dividends paid from the profits accrued in 2025 or later.	Assess the impact of increased tax rate for individual shareholders and management included in ESOP.
9	**Tax on sweetened beverages** The proposed tax on sweetened beverages was approved. This Act will take effect on 1 January 2025. It will apply to sweetened beverages and everything from which such beverages are made. The law proposes a tax rate in a range of 0.15 - 4.30 EUR per liter (or kilogram) according to the measuring unit in which the beverage is supplied. A monthly tax period is proposed, along with a record-keeping obligation. See more	Assess whether the changes apply to the business activity performed. If so, prepare for the impact of the new tax.

No.	Fact	Action
10	**Amendment to the VAT Act - Leasing** As of 1 July 2024, the Amendment to the VAT Act changed the VAT treatment of the handover of goods based on leasing (or other similar) contracts that do not clearly state that the transfer of ownership to these goods will occur upon payment of the last installment at the latest. See more.	Leasing companies in particular should thoroughly analyze the terms and conditions of leasing contracts, based on which they hand over the object of the lease to the lessee and reevaluate the applied VAT regime.
11	**Amendment to the VAT Act - Reverse charge on import of goods** The Amendment of the VAT Act also amend reverse-charge on import VAT should be applicable when releasing goods into free circulation or temporary admission with partial relief from import duty. This change will bring a cash flow advantage for businesses as import VAT deduction could be claimed in the same VAT period as that in which the VAT liability arose. The effective date of this mechanism has been postponed to 2025 and 2026 (for taxpayers on whose account a customs declaration is made under the centralized customs procedure. See more.	Assess the potential impact of the change in the VAT compliance and monitor the legislative procedure.
12	**Proving the beneficial owner of the income** The Financial Directorate published the Information on the method of proving the beneficial owner of the income for WHT purposes. This Information classifies transactions into different risk categories and prescribes different documentation obligations.	Assess the risk category of the transaction before the payment and prepare prescribed documents.
13	**Disclosure reporting** Based on DAC6, disclosing information on a reportable cross-border arrangement (MDR) to the tax authorities has become an obligation in Slovakia. Information on reportable arrangements executed as of 1 January 2021 must be disclosed within 30 days of the arrangement being ready for implementation or the first step in the implementation being made. See more.	Identify MDR obligations in Slovakia. Report if required.
14	**Real time invoicing** A public version of the draft of bill on real-time invoice reporting (B2B and B2C) which should be effective from 1 January 2027 should be available in 1st half of 2025. Real time invoicing will impose the obligation on Slovak businesses to send invoice data to the Slovak Financial Administration, before the invoice can be issued.	Reporting should be through the state-certified communication component, likely to be part of the taxpayer's ERP system. Taxpayers should reserve their IT providers' capacities to implement a solution compatible with their ERP which can be in operation by January 2027 (actual timing of legislation to be monitored).

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15	**Vendor checks & VAT audits of fraudulent chains of transactions** Slovak tax authorities increased their activities focused on auditing of VAT frauds. They are reviewing whether the VAT payers knew or should have known that they are participating in fraudulent chain of transactions, where there is missing VAT. VAT payers should be able to prove sufficient level of vendor checks, i.e. that they couldn't have known that there is a risk of VAT fraud. If the VAT payer does not pass this knowledge test, the input VAT deduction can be denied.	Review the currently applied vendor checks, review whether the outputs from these checks are archived properly, discuss with tax advisor if vendor's due diligence process and level of reviews are sufficient.		
16	**Correction of input VAT deduction in case of missing goods** Adjustment of input VAT deduction should be made in the case of destruction or loss of property, which is not duly proved or confirmed and in the case of theft of property. As of 1 January 2025, the terminology used in VAT Act has changed and it is not referring only to theft anymore.	Review, the applied VAT regime in cases of theft and undocumented losses / destruction of goods. This review should be done not only for 2025 an onwards, but also for the previous years.		
17	**Correction of input VAT deduction in case of change in use of goods / services** As of 1 January 2025, the VAT payers should correct input VAT deduction if there was a change of purpose for which the goods / services were planned to be used and were actually used. There were also changes in the capital goods scheme - certain types of services has been added to the capital goods category and there was also change in the methodology of calculation of the input VAT correction.	Start keeping track if there is any change in use of goods / services in the period between input VAT deduction and the 1st time they are actually used by VAT payer. Review the capital goods category, as certain services may need to be added. Keep in mind that there is a different way of calculating the VAT impact in case of change in use of the capital goods.		
18	**Transformation of commercial companies and cooperatives** Law on the transformation of companies (transposing EU Directive 2019/2121) was approved. This law introduces new forms of transformation of companies missing from the Slovak legislation, such as spin-offs. The law is effective as of 1 March 2024.	Assess how changes to the rules for the transformation of companies may potentially impact planned business transformations.		
19	**Public country-by-country reporting** Entities that are part of the group with a consolidated turnover over EUR750m are required to prepare a new report with specific information on Group income tax obligations, description of activities and financial information of entities within the Group, etc. This report will be filed together with financial statements and will be publicly available. The first report should be prepared for accounting periods beginning after 22 June 2024.	Assess whether the company meets the requirements for public country-by-country reporting. If so, prepare for gathering new data that is to be disclosed in the report.		

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20	**Changes to the limitations on deductibility of interest expenses** New limitations on the deductibility of interest expenses are applicable also for debt received from non-related parties. The new rules affect entities with net interest costs above EUR 3m. Previous limitations for related-party debt will remain in force. The changes are effective as of 1 January 2024. See more.	Assess the impact of changes to deductibility of interest expenses.
21	**Transfer pricing audits** Tax authorities are focusing on companies that incurred losses, or their profit decreased by a significant margin to examine whether they uphold their transfer pricing (TP) policies.	Ensure that the company has TP documentation available that can substantiate losses or decreases in profit.
22	**Reduced fee for a binding opinion** The fee for the binding opinion from tax authorities was reduced to EUR 1,000 (from EUR 30,000). Significant reduction opened up possibility for further assurance when planning significant transactions. See more.	If contemplating significant transactions, taxpayers should consider asking the tax authorities for a binding opinion.

Contacts:

Marian Biz
Partner
Ernst & Young, s.r.o.
marian.biz@sk.ey.com

Richard Panek
Partner
Ernst & Young, s.r.o.
richard.panek@sk.ey.com

Juraj Ontko
Associate Partner
Ernst & Young, s.r.o.
juraj.ontko@sk.ey.com

Tomas Nagy
Partner
Ernst & Young, s.r.o.
tomas.nagy@sk.ey.com

Andrej Paulina
Associate Partner
Ernst & Young, s.r.o.
andrej.paulina@sk.ey.com

Tatiana Knoskova
Associate Partner
Ernst & Young Law s.r.o.
tatiana.knoskova@sk.ey.com

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