THE CURRENT TAX SYSTEM IN SLOVAKIA

TPA offers an overview of the most important tax innovations. 2022 is bringing changes in the areas of taxes, duties and social contributions in all CEE and SEE countries. This summary covers the essential changes effective as of 2022.

Corporate Income Tax

- The application of the controlled foreign company rules (until now only valid for legal entities) extended also to individuals.
- Reduction of the super-deduction for research and development from the current 200% to 100%.
- Super-deduction of expenditure (cost) on investment - the taxpayer may deduct a specified percentage (from 15% to 55%) of the tax depreciation for selected assets from its tax base. The purpose is to support the investments with higher added value linked to Industry 4.0 in order to digitize and automatize the production and logistics processes.

Labour Taxation

Introduction of the option for employees to choose between the provision of meal vouchers or financial contribution for meals. Both types will be exempt from personal income tax only up to 55% of the sum of the meal allowance provided for business trips lasting between 5 and 12 hours, i.e., currently up to EUR 2.81. The change also concerns the taxation of meal vouchers, which have been so far fully exempt from tax for employees.

Value Added Tax

- Notification obligation for the taxpayer to announce details of its bank accounts used for the business purposes to the Slovak Financial Directorate.
- Introduction of the tax guarantee if the taxpayer in the position of the recipient of the taxable supply in Slovakia pays to the supplier's bank account that was not published on the website of the Slovak Financial Directorate on the day of the payment.
- Introduction of the new split payment method for payment of VAT from the supply of goods or services by VAT payer in Slovakia, that were subject to VAT. The purpose of this measure is to avoid the applicability of the tax guarantee against the VAT payer that is in the position of customer if the supplier's bank account was not published on the website of the Slovak Financial Directorate. In this case, the invoiced price will be divided into the tax base that will be settled to the supplier and the VAT will be paid to supplier´s account for tax purposes evidenced directly by the tax authority.

Tax Code

- Introduction of a public index of tax reliability as a transparent and objective rating of taxpayers.
- Institute of individual's exclusion that will enable the tax authority to issue a decision on the individual's exclusion, who is the statutory body of a taxpayer that seriously violates the tax obligations. Consequently, the excluded individual must not act as the statutory body in a company or a cooperative for the period up to three years.
- Reduction of the fee for binding opinions issued by the Slovak Financial Directorate to EUR 1,000.

Act on Accounting

Changes were adopted mainly in the area of digitalization introducing the possibility to scan the accounting documents without the use of guaranteed electronic conversion, which will significantly streamline the electronic archiving process, aiming to reduce the administrative burden of bookkeeping for businesses.

New Act on Reporting of Invoices to the Financial Administration (e-invoice)

The obligation to submit structured data from the outgoing and incoming invoices to the tax authority in real time should be introduced from 1st January 2023.

New Incentives – Permanent "Kurzarbeit" (=short-term work) Scheme

The provision of allowance to cover the employee's income at the time when the employer cannot assign work due to adverse external factors.