

Davčne novice

TAX AMENDMENTS IN 2025 IN SLOVENIA

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The National Assembly in Slovenia adopted a package of tax amendments in the area of corporate and personal taxation just before Holiday Season. Most of the changes will enter into force on 1 January 2025 and some on 1 January 2026. The main changes are set out below

PERSONAL INCOME TAX

1. SELF-EMPLOYMENT INCOME

1.1 "Flat-rate" sole proprietors

The conditions for entry into the flat-rate expenditure scheme are changed, i.e. a "fully flat-rate sole proprietor (s.p.)" will be able to enter the scheme if, in the previous tax year, his/her income did not exceed **€60,000** (previously €100,000) and he/she has also been a full-time compulsory insured person for at least **9 months** continuously in that sole proprietorship.

However, an "afternoon sole proprietor (s.p.)" will be able to join the scheme if his/her turnover in the previous tax year did not exceed **€30,000** (previously €50,000).

The conditions for exiting the flat-rate expenditure system are also changing, namely "fully flat-rate s.p." will have to opt out if the **average of the two consecutive years' income reaches €60,000**, whereas for the "afternoon s.p." the limit will be **€30,000**.

Flat rate expenses will now be:

"Full-time flat-rate s.p." (i.e. if the taxable person is compulsorily insured in this sole proprietor on a full-time basis for a continuous period of at least 9 months

Revenue		Flat rate expenses (% of revenue)		
from	to			
	60,000	80%		
60,000		0%	above	60,000

An "afternoon s.p." (i.e. a person who is compulsorily insured on another basis, usually in an employment relationship):

"Flat-rate s.p." will also be required to report on their tax return the income they earn with a **related person or an employer** with whom they have an employment relationship under an employment contract.

Revenue		Flat rate expenses (% of revenue)		
from	to			
	12,500	80%		
12,500	30,000	40%	above	12,500
30,000		0%	above	30,000

1.2 Conditions for "flat-rate" s.p. in 2025

The criteria for remaining in the "flat-rate" s.p. system in a year is the **average** of the income from the activity for 2023 and 2024 combined, which does not exceed **€150,000**.

Example 1: If the s.p. has €120,000 in 2023 and €110,000 in 2024, the average of the two years is €115,000, which is less than €150,000, so it can use the "standardized" s.p. in 2025.

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1.3 Conditions for "flat-rate" s.p. in 2026

In 2026, the entry into the "flat-rate" system **will no longer be subject to a two-year period**, but only to the level of income in 2025. The taxable person will have to establish the tax base on the basis of **actual income and expenditure** and keep books of accounts for 2026, in case his/her income from the activity **for 2025 exceeds**:

- › **€60,000**, and has been compulsorily insured on a full-time self-employed basis for at least 9 months in 2025,
- › **€30,000** and has not been compulsorily insured on a full-time self-employed basis for a continuous period of at least 9 months in 2025,
- › **€60,000** if he/she is compulsorily insured as a farmer or member of a farming household.

2. EMPLOYMENT INCOME

2.1 Special tax relief for new residents

An additional special tax relief is introduced for **new residents - crucial professional personnel from abroad**, if they meet certain conditions, such as:

- › is a resident of Slovenia,
- › has not been a resident of Slovenia in the last 2 years and has not had taxable income from employment

or activity in Slovenia,

- › has a salary of at least 2 times the average Slovenian salary (at least € 4,686.14 in Jan. 2025) specified in the employment contract,
- › is employed by a Slovenian employer or a branch of a foreign company in Slovenia,
- › has not yet reached the age of 40 at the time of starting work in Slovenia.

The special relief is a **reduction in income tax of 7 % of the salary or salary allowance received**. The income tax reduction is granted for a maximum of **5 consecutive tax years**.

2.2 Special tax treatment of income earned by workers in innovative companies

A special tax treatment is introduced for income received by **employees in innovative companies** in the form of **shares** in their employer.

Subject to certain conditions, the time of taxation of the receipt of such income will be **postponed** (currently, tax is chargeable at the time of acquisition of the shares), namely at the time of **disposal of the shares acquired**, at the time of termination of employment, at the time of dissolution or transformation of the employer, or at the time **when 10 years have elapsed since the acquisition of the shares**.

2.3 Rewarding employees with shares

Income from employee share-based remuneration (fringe benefit) **will be excluded** from the employer's **income tax liability** in order to encourage employee ownership of companies. Thus, such income **will no longer** have to be increased by a **coefficient of 0.43**, as is usually the case for income in kind.

Example 2: An employer provides an employee with €10,000 in company shares in 2025 and does not deduct this amount, but it is the basis for calculating the contributions (22.1 % and 16.1 %) and the advance income tax. The final cost to the employer is € 11,610.

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2.4 Fringe benefit for electric vehicles

The fringe benefit for private use of an electric company car is zero for the period 2025-2029, but will be charged at **0.75% of the purchase price per month** from 2030 onwards. This is **half** the cost of other fossil-fueled company cars or hybrids.

At the same time, the availability of electricity for charging the employee's personal vehicle at the employer's non-commercial charging stations **does not count as a fringe benefit**.

2.5 Fringe benefit for bike usage

The use of a bicycle (or bicycle-rickshaw) by an employee is now **not considered a fringe benefit** if the purchase price of the bicycle (including VAT) does not exceed **€2,000**. An employer can only provide one bicycle to an employee in 5 years.

2.6 Income tax scale 2025

If the annual net base is (in €)		Income tax amounts (in €)
from	to	
	9.210,26	16 %
9.210,26	27.089,00	1.473,64 + 26 % over 9.210,26
27.089,00	54.178,00	6.122,11 + 33 % over 27.089,00
54.178,00	78.016,32	15.061,48 + 39 % over 54.178,00
78.016,32		24.358,43 + 50 % over 78.016,32

Net base = gross income – social sec. exp.

2.7 General relief 2025

Total revenue (in €)		General tax relief (in €)
from	to	
	16.832,00	5.260,00 + (19.736,99 - 1,17259 x total income)
16.832,00		5.260,00

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3. CORPORATE INCOME TAX (CIT)

3.1 Limitation of tax loss carry-forwards

A time limit on the utilization of past tax losses is introduced, i.e. it will now only be possible to utilize past tax losses in the **five tax periods** following their occurrence (previously unlimited).

However, all "old losses", i.e. tax losses incurred before 1. 1. 2025, can be used at the latest in the tax period starting on or after 1. 1. 2029. It should be noted that only 50% of the old tax loss can be used in a financial year to offset current profits.

3.2 Transfer of the digital and green transition investment tax relief

The possibility to carry forward unused digital and green investment tax relief over the next **five tax periods** is introduced (previously only available in the year of investment). This carry forward is only possible for relief arising after 1 January 2025.

3.3 Termination of "flate-rate Ltd."

The special regime for determining the tax base by reference to flat rate expenses for limited liability companies is abolished.

Taxable persons who have applied this special scheme so far must start to establish their tax base on the basis of **actual expenditure** as from 1 January 2025. These taxable persons will thus also regain the right to recover past tax losses (i.e. from the period in which they established their tax base on the basis of actual expenditure).

3.4 Donation relief The additional relief for donations of 0.2% of the taxable income of the taxpayer is now extended to payments to **non-governmental organizations** in the field of disaster protection (previously only for payments to voluntary associations set up for such purposes).

3.5 Limiting interest recognition

The so-called **thin capitalization rule** is **abolished**, according to which loans from a shareholder (or other related parties) exceeding four times the book value of the borrower's capital was treated as excess loans and interest on this excess was not tax deductible.

Borrowing costs (interest) are now recognized for tax purposes up to the higher of **€3,000,000** (previously €1,000,000; alignment with ATAD) or **30 % of EBITDA**.

4. VALUE ADDED TAX (VAT)

4.1 Increase in the threshold for entering the VAT system to €60,000

The annual turnover threshold for exempting taxable persons from charging VAT in Slovenia is **increased from €50,000 to €60,000**.

However, taxable persons who exceed this threshold by 10 % in the current calendar year will be allowed to continue to benefit from the exemption in that year until the value of their turnover exceeds €66,000.

The new measure will thus relieve the burden on small businesses, as they will be able to continue to benefit from the VAT exemption for longer.

The annual turnover threshold for compulsory identification for VAT purposes is increased from the current €50,000 to €60,000.

A transitional period is introduced during which taxable persons who exceed the threshold for entry into VAT continue to benefit from the small taxable persons exemption up to a turnover of €66,000 in 12 consecutive months.

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4.2 Special scheme for small taxable persons

A new special scheme for small taxable persons established in Slovenia or in another Member State is introduced, allowing them to claim VAT exemption on cross-border transactions or in Slovenia.

A small taxable person **established in Slovenia** is entitled to an exemption in **another EU Member State** if:

- › **did not exceed a turnover of €100,000** in the EU as a whole in the previous and current calendar year;
- › the **threshold** for entry into the VAT system of the **Member State** in which the supply of goods or services takes place **has not been exceeded** in the (previous) preceding and current calendar year;
- › is **identified for the application of a cross-border VAT exemption**.

This special scheme may also be used for cross-border transactions by a taxable person established in Slovenia and identified for VAT purposes in Slovenia with a regular VAT number.

However, a small taxable person established in **another Member State** is entitled to exemption in Slovenia if:

- › **did not have a turnover in excess of €60,000 in Slovenia** in the preceding and current calendar year;
- › **did not have a turnover in excess of €100,000 in the EU as a whole** in the preceding and current calendar year;
- › is **identified for the cross-border VAT exemption** in the Member State of establishment.

A special scheme allows small taxable persons to benefit from VAT exemption on cross-border transactions under certain conditions.

To benefit from the special scheme, small taxable persons must obtain a **special identification number** from the tax authorities.

A small taxable person using the special scheme must submit quarterly reports to the tax authorities indicating the turnover in each Member State.

4.3 Place of taxation of "on-line" events

Services relating to admissions to events where attendance is **virtual** and **provided to a taxable person** are taxed according to the general rule, i.e. at the place of residence of the recipient (or of the recipient's permanent establishment).

However, if the activities, which are transmitted via the internet or are **virtually accessible**, are **provided to non-taxable persons**, such services are taxed according to the place of residence of the recipient.

4.4 Changes to VAT rates

New VAT rates include:

- › simplifying the application of the reduced VAT rate to **medical equipment** and devices;
- › the application of the 22 % VAT rate to beverages (or preparations thereof) with added sugar or sweeteners;
- › the exemption for goods for the benefit of victims of natural disasters, granted by the European Commission, is possible under the same conditions for imports as for acquisitions of goods.

4.5 Obligation to submit VAT return records from 1. 7. 2025

Under current legislation, every taxable person identified for VAT purposes must keep records, known as tax books, and submit them to the tax authorities on request.

The new rules provide for more detailed **electronic records in a structured content and format** for all taxable persons identified for VAT purposes.

The structured records (i.e. the VAT accounted for and the VAT deduction records) must be transmitted electronically (xml file) by the taxable person to the tax authority **at the same time as the VAT return is submitted**.

The aim is to relieve taxable persons of the burden of the tax authority's control process, to make controls more targeted

and to reduce the need to send invoices at the request of the Slovenian Financial Authorities.

4.6 Possibility to use a pre-completed VAT return

For a taxable person who submits the **structured records** to the tax authority early, i.e. no later than **3 working days** before the expiry of the deadline for submitting the VAT return (i.e. 3 working days before the last working day of the month), the tax authority will use the structured records to prepare a **pre-completed VAT return** on the basis of the structured records. This will be drawn up and served at the latest on the next working day following the submission of the records.

If the taxable person has already submitted a VAT return before receiving the pre-completed VAT return, the tax authority will not draw up a pre-completed VAT return. However, if the taxable person fails to submit the VAT return within the deadline for submission, the pre-filled VAT return is considered to be definitive and the obligation to submit the VAT return is thus fulfilled.

For a taxable person who submits records to the tax authority and wishes to claim a **refund of VAT surplus** in a particular month, the pre-completed VAT return will also be considered final at the time of service of the pre-completed VAT return. The latter is important because the 21-day period for the tax authority to refund the VAT also starts from the date of service of the pre-completed VAT return.

Nonetheless, the taxable person will have to take care of submitting the VAT return himself, even if he submits the records to the tax authority on time and the taxable person does not receive a pre-completed VAT return.

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4.7 Limit on the carry-forward of surplus VAT

The carry-forward of VAT surplus and the possibility of reclaiming it are **limited** to a **period of five years from the date of submission of the VAT return**.

The new restriction applies only to VAT surpluses identified in VAT returns for tax periods starting from 1. 1. 2025. For VAT surpluses identified before this date, a transitional period is introduced and the carry forward and refund of VAT surpluses will only be possible until **31. 12. 2029**.

Example 3: The request for VAT surplus refund for **August 2026** can be submitted no later than **30.9.2031**.

A request for refund of VAT surplus for the month of **August 2024** can be submitted at the latest by **31.12.2029**.

4.8 Possibility to set up a VAT group from 1.1.2026

Two or more taxable persons who have their registered seat or fixed establishment in Slovenia and who are **financially, economically and organizationally linked** to each other will be able to form a **VAT group** and act as a **single taxable person**.

The new regime, which will apply from **1 January 2026**, will mainly result in administrative relief, as the entire group will be able to submit a single, joint VAT return.

In addition, such a merger will also mean centralized communication with the tax authorities via a group representative and will reduce operating costs, as transactions between VAT group members will be out of scope of VAT.

4.9 Change for vending machines from 1.1.2026

The exemption from invoicing applies from **1. 1. 2026** to all types of vending machines, i.e. the sale of tickets and passes in passenger transport (train, bus, cableway); stamps, value cards and forms in postal transport; to payments for participation in games of chance, to the sale of periodicals; the sale of goods and services via vending machines; the sale of cards with a code for recharging the pre-paid systems of mobile operators from ATMs, the GSM network and the Internet; the sale of tokens from money changers and the sale of services on telecoms.

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