



## Tax&Legal Highlights

### Slovakia

#### Members of Parliament's Amendment to the Income Tax Act

**The National Council of the Slovak Republic approved an amendment to Act No. 595/2003 Coll. on Income Tax, which amends one of the existing conditions by reducing the minimum amount of the 13<sup>th</sup> salary to be entitled to an income tax exemption.**

The National Council of the Slovak Republic approved an amendment to Act No. 595/2003 Coll. on Income Tax, which amends one of the existing conditions by reducing the minimum amount of the 13<sup>th</sup> salary to be entitled to an exemption of this income from personal income tax up to EUR 500 in aggregate from all employers.

According to valid law regarding the 13<sup>th</sup> and 14<sup>th</sup> salary pursuant to Act No. 595/2003 Coll. on Income Tax, as amended, a number of conditions must be met by the employee and employer for exemption of this income from personal income tax up to EUR 500 per year in aggregate from all employers

cumulatively. One of these conditions is that the minimum amount of such remuneration is to be the average monthly earnings/salary of an employee.

However, for the 13<sup>th</sup> salary, the amendment to the Act reduces the required amount of remuneration paid by the employer for entitlement to exemption from tax and insurance contributions from the current amount "in a minimum amount of the average monthly earnings/salary of an employee" to the fixed amount of EUR 500.

This change will allow the employer (if other conditions are met) to pay an employee a 13<sup>th</sup> salary in the amount of EUR 500 exempt from taxes and insurance contributions, which is the same for all employees of the employer, irrespective of the amount of the average monthly salary of an employee.

This provision's wording effective from 1 March 2019 will first apply to the amount of remuneration paid in June 2019.

### **Guideline on the Exemptions of Income from Advertising for Charitable Purposes from Income Tax and Related Tax Base Adjustments**

**The Financial Directorate of the Slovak Republic (hereinafter "FDSR") issued a guideline to ensure a consistent procedure for exempting income from advertising for charitable purposes earned by selected types of taxpayers not established or not incorporated for business activities with effect from 1 January 2018.**

The FDSR issued a guideline to ensure a consistent procedure for exempting income from advertising for charitable purposes earned by selected types of taxpayers not established or not incorporated for business activities with effect from 1 January 2018.

Pursuant to the new Article 13 (1) (g) added to the ITA, income from advertising for charitable purposes is tax exempt if it is earned by taxable persons specified in Article 12 (3) (a) of the Income Tax Act, up to a maximum of EUR 20 000 for the relevant taxation period.

The taxable person may only use the income for the purposes defined in Article 50 (5):

- Protection and promotion of health; prevention, medical treatment, re-socialisation of drug addicts in the field of healthcare and social services;
- Development and promotion of sports;
- Provision of social aid;
- Preservation of cultural heritage;
- Support for education;
- Protection of human rights;
- Protection and development of the environment;
- Science and research; and
- Organising and mediating volunteer activities.

This use is possible up to the end of the year following the year in which the taxable person received the income. If the taxable person does not use tax-exempt advertising income for a purpose defined in Article 50 (5) before the end of this period, this income or unused portion thereof must be included in the tax base at the latest in the taxation period in which this period expires.

## Tax&Legal Highlights

A taxable person under Article 12 (3) (a) of the Income Tax Act keeping books in the double-entry bookkeeping system does not include income (revenues) from advertising in the tax base in the taxation period in which the revenues were recognised, but rather in the taxation period in which the income (revenues) from advertising was received (eg credited to a bank account). The person ordering advertising includes costs (expenses) of advertising ordered from a taxable person pursuant to Article 12 (3) (a) of the Income Tax Act in accordance with Article 17 (19) (i) of the Income Tax Act, according to which costs (expenses) of advertising provided to such a taxable person are only included in the tax base after payment.

The full wording of the guideline can be found here:

[https://www.financnasprava.sk//img/pfsedit/Dokumenty\\_PFS/Zverejnovanie\\_dok/Dane/Metodicke\\_usmernenia/Priame\\_dane/2019/2019.01.10\\_osl\\_prij\\_reklam.pdf](https://www.financnasprava.sk//img/pfsedit/Dokumenty_PFS/Zverejnovanie_dok/Dane/Metodicke_usmernenia/Priame_dane/2019/2019.01.10_osl_prij_reklam.pdf)

### Contact Details

**Valéria Mortániková**

**Senior Manager, Tax**

Mobile: +421 917 627 421

Email: [vmortanikova@deloitteCE.com](mailto:vmortanikova@deloitteCE.com)

**Katarína Povecová**

**Manager, Tax**

Mobile: +421 917 858 604

Email: [kpovecova@deloitteCE.com](mailto:kpovecova@deloitteCE.com)

[Read more](#)

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more about our global network of member firms.

Deloitte provides audit, consulting, financial advisory, risk advisory, tax and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries and territories bringing world-class capabilities, insights, and high-quality service to address clients' most complex business challenges. To learn more about how Deloitte's approximately 245,000 professionals make an impact that matters, please connect with us on [Facebook](#), [LinkedIn](#), or [Twitter](#).

Deloitte Central Europe is a regional organization of entities organized under the umbrella of Deloitte Central Europe Holdings Limited, the member firm in Central Europe of Deloitte Touche Tohmatsu Limited. Services are provided by the subsidiaries and affiliates of Deloitte Central Europe Holdings Limited, which are separate and independent legal entities.

The subsidiaries and affiliates of Deloitte Central Europe Holdings Limited are among the region's leading professional services firms, providing services through nearly 6,000 people in 44 offices in 18 countries.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

© 2019. For information, contact Deloitte Central Europe