



Tax&Legal Highlights

Slovenia

Personal Income Tax Act (hereinafter `PIT Act`) amendments

Effective as of 01.01.2018, certain amendments to Slovene PIT Act apply, which are relevant for individuals assigned to and from Slovenia. A special determination of tax base for assignment income received as of 01.01.2018 has been introduced together with certain changes regarding the tax treatment of costs reimbursed with relation to temporary assignments.

Amendments regarding the tax treatment of costs reimbursed during assignments

Meal allowance and reimbursement of costs of commuting to and from work are non-taxable for personal income tax purposes in Slovenia up to prescribed amounts, provided they are properly documented. These reimbursements are standard for Slovenia. The reimbursement of costs related to assignments, which are not to be included into the individual's employment income tax base, are newly regulated, namely:

- Reimbursement of meal costs

A time delimitation of 30 days has been determined, distinguishing short temporary assignments from long temporary assignments. Meanwhile the amount of meal cost reimbursement per working day, which shall not be included into the tax base was already determined in the legislation and applies for short temporary assignments, a higher amount of non-taxable reimbursement for long temporary assignment has been stipulated with the amendments.

An exception applies for the drivers performing work in international road transport, wherein short assignments may last up to a maximum of 90 days continuously.

- Reimbursement of transport costs

It is newly stipulated, that the following reimbursements are not to be included into the individual`s tax base:

- Costs of transport between usual place of residence in the period of assignment and the place of work, while assigned.
- Costs of transport from home country residence to the place of assignment at the beginning of assignment and the costs of transport from the place of assignment to home country at the end of the relevant assignment.

- Reimbursement of accommodation costs

Costs of accommodation during the assignment, which are reimbursed by the employer to the assignee, are not to be included into individual`s tax base, provided the assignment period does not exceed 90 days continuously. In case the assignment exceeds 90 days, such reimbursements are considered as taxable income of the assignee.

Special tax base for assignment income

Under certain conditions, stipulated by law, the individual assigned abroad or to Slovenia is entitled to a special tax base, namely, 20% of his gross salary received for work in the period of his assignment can be excluded from the tax base, however the amount excluded cannot exceed 1.000 EUR monthly.

Transnational Provision of Services Act entering into force

Please note that as of 01.01.2018 the Transnational Provision of Services Act is effective in Slovenia, implementing the provisions of Directive 67/EU/2014 of the European Parliament. The respective Act regulates the cross-border provision of services for employees posted to Slovenia from other EU Member States or vice versa, considering the employees shall remain included in the social security system in their home country (i.e. A1 form should be obtained).

Further to the Transnational Provision of Services Act, please note that numerous challenges are encountered on a daily basis when trying to put the respective Act into the practical use and determining the nature of each arrangement (i.e. shall it be considered as posting of employees, wherein the respective Act applies, or shall the respective arrangement be considered as a business trip).

Tax&Legal Highlights

Consequently, the Slovene Ministry of labour, family, social affairs and equal opportunities provided a table, which shall serve as an assistance when determining the nature in each particular case, please find it below.

Criterion	Posted workers	Business trip
Type of work	The cross-border services provided are within the framework of the activities specified in corporate statute or corporate contract of the company, which is posting the employee.	The work performed by the employee is important for the existence and the continuous performance of the company's activities, however it does not represent direct service provision of the respective company.
End user of the relevant service	Company ordering the service.	Employer.
Employer's revenue	The employer expects a contractually agreed payment for the work performed by the posted employee.	The employer does not expect any direct payment for the work performed by the employee sent on a business trip
The market of the country concerned	The company enters the market of foreign country directly and competes with other companies on the respective market.	The company is not directly entering the foreign market and is not competing with other companies on the respective market.

In line with the respective table, please note that the guidelines provided by the Ministry are set only as an example, thus any different circumstances/criterion shall be observed individually, in order to determine whether the respective cross-border services provided shall be treated as a business trip or posting of an employee.

Contacts Details

Bara Gradišar

Manager

Tel: + 386 1 307 28 79

Email: bgradisar@deloitteCE.com

Andreja Škofič Klanjšček

Partner

Tel: + 386 1 307 28 41

Email: askofic@deloitteCE.com

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 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.

© 2018. For information, contact Deloitte Central Europe