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International Tax
Slovenia Highlights 2024

Updated February 2024

Investment basics

Currency: Euro (EUR)

Foreign exchange control: Bank accounts may be held, and repatriation payments made, in any currency.

Accounting principles/financial statements: Financial statements must be prepared annually in accordance with Slovenian Accounting Standards (SAS) or International Accounting Standards (IAS/IFRS).

Principal business entities: These are the limited and unlimited liability company, limited partnership, public limited liability company, *Societas Europaea*, partnership limited by shares, and branch of a foreign company.

Corporate taxation

Rates	
Corporate income tax rate	22%
Branch tax rate	22%
Capital gains tax rate	22%

Residence: An entity is resident if it has its business seat or place of effective management in Slovenia.

Basis: Residents are taxed on worldwide income; nonresidents are taxed only on Slovenia-source income. Foreign-source income derived by residents is subject to corporate income tax in the same way as Slovenia-source income. Branches are taxed in the same way as subsidiaries.

Taxable income: Taxable income comprises all income and profits from a company's activities, reduced by expenses related to those activities (provided the expenses are properly documented). Taxpayers whose revenue in the previous year does not exceed EUR 50,000 (EUR 100,000 if employing at least one full-time person for a minimum of five months) can elect to take a lump sum deduction equivalent to 80% of annual revenue, in lieu of actual expenses.

Rate

General

The standard rate is 22% for fiscal years 2024 through 2028 (increased from 19% for fiscal year 2023). A 0% rate applies to certain investment funds, pension insurance undertakings, and insurance companies.

For fiscal years 2024 through 2028, banks and savings banks are liable to an additional tax of 0.2% on the sum of their balance sheet assets (see “Other” under “Other taxes on corporations and individuals,” below.)

Surtax

There is no surtax.

Alternative minimum tax

There is a prescribed minimum (effective) tax rate of 8.14% (i.e., the tax base may be reduced by a maximum of 63%).

Global minimum taxation (Pillar Two)

Slovenia has transposed into its domestic legislation the EU “Pillar Two” directive that is designed to ensure a global minimum level of taxation of 15% for multinational enterprise groups and large-scale domestic groups within the EU with annual consolidated revenue of at least EUR 750 million. The IIR (income inclusion rule) applies for accounting periods beginning on or after 31 December 2023 and the UTPR (sometimes referred to as the undertaxed profit(s) rule or the undertaxed payments rule) applies for accounting periods beginning on or after 31 December 2024. Slovenia also intends to adopt a qualified domestic top-up tax (sometimes referred to as a QDMTT), applicable for accounting periods beginning on or after 31 December 2023.

Taxation of dividends: Dividends received from another Slovenian company, an EU subsidiary, or a non-EU subsidiary established in a jurisdiction not included on a list published by the Ministry of Finance (“deny list”) or the EU list of noncooperative jurisdictions are 95% tax exempt. Dividends received from a company established in a jurisdiction on the deny list or the EU list are fully taxable.

Capital gains: Capital gains are treated as ordinary income and the full amount of the realized gain is subject to tax at 22%. Gains arising from a transaction subject to the EU merger directive are exempt. A portion (47.5%) of the capital gains derived from the sale of shares is exempt if, inter alia, the shares represent a participation of at least 8% and the shareholding has been held for a period of more than six months during which at least one person is employed on a full-time basis. Other than for a loss arising from a venture capital investment, 50% of a capital loss is not recognized.

Losses: Tax losses carried forward from previous years may be used only up to 50% of the tax base. The carryback of losses is not permitted.

Foreign tax relief: A tax credit is available for foreign tax paid. The credit is equal to the lesser of the amount of foreign income tax actually paid or the amount of Slovenian tax payable on the foreign income.

Participation exemption: See “Taxation of dividends” and “Capital gains,” above.

Holding company regime: There is no specific holding company regime but see the special regime under “Capital gains,” above.

Incentives: Incentives include the following: a deduction of 100% of the amount invested in domestic research and development (R&D) activities and the purchase of R&D services; a deduction of 40% of the actual amount invested in certain equipment and intangible assets; a deduction of 40% of the actual amount invested in the digital transformation and green transition (e.g., cloud computing, artificial intelligence, big data, environmentally friendly technologies); relief for donations (limited to 1% of taxable income, an additional 0.2% for special purposes, and an additional 3.8% for high-level sports investments); relief for voluntary supplementary pension insurance (limited to 24% of obligatory contributions for pension and disability insurance); relief for employment of the disabled (50% of the salary of such persons; 70% of salary for fully physically disabled and deaf individuals); relief for the employment of persons younger than 29 years or older than 55 years in an occupation for which there is a labor shortage (45% of the salary for the first 24 months of employment) and for the first employment of persons younger than 25 years (55% of the salary); relief for the employment of individuals for practical work in vocational education (80% of the average monthly salary of employees in Slovenia for each month of practical work); and relief for employment and investment in certain regions.

Compliance for corporations

Tax year: The tax year is the calendar year or financial year. If the tax period differs from the calendar year, the taxpayer may not change the tax period for three years.

Consolidated returns: Consolidated returns are not permitted; each company must file its own return.

Filing and payment: Slovenia operates a self-assessment regime. Tax payments must be made in advance on a monthly or quarterly basis. The tax return must be submitted to the tax authorities within three months after the end of the relevant tax period.

Penalties: Various penalties are imposed (depending on the size of the company) for failure to file a corporate income return or if the return does not meet legal requirements.

Rulings: Binding and nonbinding rulings on proposed business activities may be obtained from the tax authorities.

Advance pricing agreements (APAs) are available.

Individual taxation

Rates		
Individual income tax rate	**Taxable income (EUR)**	**Rate**
	Up to 8,755	16%
	Over 8,755 and up to 25,750	26%
	Over 25,750 and up to 51,500	33%
	Over 51,500 and up to 74,160	39%
	Over 74,160	50%
Capital gains tax rate		25%

Residence: Individuals, regardless of nationality, are resident in Slovenia for personal income tax purposes if they have a formal residence tie with Slovenia (i.e., they have a permanent home registered in Slovenia, are Slovenian public employees working abroad, or were Slovenian residents but are employed by an EU institution) or an actual residence tie with Slovenia (i.e., they have a habitual abode or center of personal and economic interests, or they are present for more than 183 days in a taxable year in Slovenia).

Basis: Resident individuals are taxed on worldwide income. Nonresidents are taxed only on Slovenia-source income.

Taxable income: Personal income tax is levied on six categories of income: income from employment, business income, income from basic agriculture and forestry, income from rents and royalties, income from capital (dividends, interest, and capital gains), and other income.

The taxable bases of various sources of income earned in a calendar year are computed separately and then aggregated and taxed at progressive rates. Income from capital, income from business activities (in certain cases), and rental income, however, are subject to fixed tax rates.

A favorable treatment applies to business performance awards received either in cash or in kind which are exempt from tax, up to 100% of the employee's average monthly salary in Slovenia for the previous 12 months. Certain conditions apply.

In general, only 65% of the market value of shares acquired by employees in their employer or the employer's parent company under employee share option schemes is taxable provided that (i) the employee has been employed by the employer for at least one year immediately prior to the date the right is exercised, and (ii) the benefit is not subject to the more favorable tax treatment for business performance awards. Certain exceptions may apply.

Rates: The following progressive rates apply: 16% on taxable income up to EUR 8,755; 26% on taxable income over EUR 8,755 and up to EUR 25,750; 33% on taxable income over EUR 25,750 and up to EUR 51,500; 39% on taxable income over EUR 51,500 and up to EUR 74,160; and 50% on taxable income over EUR 74,160.

Dividends and interest received by a resident individual are subject to a 25% withholding tax. Income from business activities (under certain conditions) is taxed at 20%. Rental income is taxed at 25% and a standard deduction of 10% of the income is available.

Capital gains: Capital gains are subject to a base tax rate of 25%, which is reduced to 20% after the asset has been held for five years. The rate is further reduced by five percentage points (to 15%) if the asset is held for more than 10 years. The capital gain is not taxed if the asset is held for more than 15 years.

Capital gains arising from derivatives are taxed at a rate of 40% if disposed of during the first year of ownership; the rate decreases for longer periods of ownership.

Deductions and allowances: A general annual allowance (EUR 5,000 for 2024) is available to all resident individuals. Various personal allowances also are available in certain cases (dependents, disability, etc.). Additionally, a "senior allowance" of EUR 1,500 per annum is available for tax residents aged 70 and above. Under certain conditions, the allowances are also available to certain disabled persons, students, employees up to 29 years old, and long-term volunteers in the security and rescue sectors.

Foreign tax relief: A tax credit is available for foreign tax paid. The credit is equal to the lesser of the amount of foreign income tax actually paid or the amount of Slovenian tax payable on the foreign income.

Compliance for individuals

Tax year: The tax year is the calendar year.

Filing status: There is no joint taxation; each individual is treated as a separate taxpayer.

Filing and payment: Personal income tax is collected by way of withholding during the year if the payer of the income is a Slovene legal person. If the payer is a foreign legal entity, the individual must report the income to the tax authorities, which then assess the tax.

Tax returns for income from capital (dividends, interest, and capital gains arising from the disposal of financial capital) and rental income must be submitted by 28 February for the previous tax year. Tax returns for capital gains arising from the disposal of immovable property must be submitted within 15 days after the disposal.

For income taxed on an aggregate basis, the individual receives a preliminary annual tax calculation from the tax authorities by 15 June of the current year for the previous tax year, which takes into account the tax paid during the year. If the calculation is correct and the individual does not object, the tax assessed in the calculation becomes final. If the individual does not receive the preliminary annual tax calculation by 15 June, the annual tax return must be filed by 31 July of the current year for the previous tax year. The tax authorities will then issue a tax assessment.

Penalties: Penalties are imposed for failure to file an income tax return or if the return does not meet the legal requirements.

Rulings: There are no binding rulings available on the level of individual taxation; however, nonbinding rulings may be obtained from the tax authorities.

Withholding tax

Rates

Type of payment	Residents		Nonresidents	
	Company	**Individual**	**Company**	**Individual**
Dividends	0%	25%	15%	25%
Interest	0%	25%	15%	25%
Royalties	0%	25% or progressive individual tax rates if employment income	15%	25% or progressive individual tax rates if employment income

Dividends: No withholding tax applies on dividends paid to a domestic company. Dividends paid to a nonresident company are subject to a 15% withholding tax unless the rate is reduced under an applicable tax treaty or an exemption is available under the EU parent-subsidiary directive. Dividends paid to an individual are subject to a 25% withholding tax, unless (for dividends paid to nonresidents), the rate is reduced under an applicable tax treaty.

Interest: No withholding tax applies on interest paid to a domestic company. Interest paid to a nonresident company is subject to a 15% withholding tax unless the rate is reduced under an applicable tax treaty or an exemption is available under the EU interest and royalties directive. Interest paid to an individual is subject to a 25% withholding tax, unless (for interest paid to nonresidents), the rate is reduced under an applicable tax treaty.

Royalties: No withholding tax applies on royalties paid to a domestic company. Royalties paid to a nonresident company are subject to a 15% withholding tax unless the rate is reduced under an applicable tax treaty or an exemption is available under the EU interest and royalties directive. Royalties paid to individuals are subject to a 25% withholding tax or progressive individual tax rates if taxed as part of employment income. The rate for nonresident individuals may be reduced under an applicable tax treaty.

Fees for technical services: No withholding tax applies on fees for technical services paid to a domestic company. Fees paid for advisory, marketing, market analysis, human resources, administrative, information technology, and legal services to a nonresident company are subject to a 15% withholding tax if paid to a person with a head office in a jurisdiction outside the EU that is on the deny list published by the Ministry of Finance or on the EU list of noncooperative jurisdictions; otherwise, no withholding tax applies. Fees paid to individuals for technical services are subject to a 25% withholding tax or progressive individual tax rates if taxed as part of employment income. The rate for nonresident individuals may be reduced under an applicable tax treaty.

Branch remittance tax: There is no branch remittance tax.

Other: Lease payments for real estate located in Slovenia and payments for the services of performing artists or sportsmen, where the payments are made to another person, are subject to a 15% withholding tax.

Anti-avoidance rules

Transfer pricing: Transactions with nonresident related parties must be on arm's length terms. The same applies for resident related parties if one of the parties is deemed to be in a "beneficial tax position" (e.g., evidencing tax losses). Parties are deemed to be related if one party directly or indirectly holds at least 25% of the other, if a third party directly or indirectly holds at least 25% of both parties, or if the conditions of the transactions between the parties differ from the conditions of transactions between unrelated parties. Documentation and reporting requirements apply.

APAs are available.

Interest deduction limitations: Interest on loans is not deductible if: (i) the loan is received from (a) a shareholder that, at any time during the tax period, directly or indirectly owns at least 25% of the equity capital or voting rights in the borrower, (b) a lender that has the same 25% shareholder as the borrower, (c) a shareholder where a family member, at any time during the tax period, directly or indirectly owns at least 25% of the equity capital or voting rights in the borrower, or (d) a third party, such as a bank, if a shareholder who falls within the scope of (a), (b), or (c) guarantees the loan or acquires the loan in connection with a deposit in the third party or the bank; and (ii) the loan exceeds a debt-to-equity ratio of 4:1 at any time during the tax period, unless the taxpayer can demonstrate that the loan would have been granted by an unrelated third party. The interest on loans exceeding the 4:1 debt-to-equity ratio generally is recharacterized as a hidden profit distribution.

As from 1 January 2024, Slovenia has implemented the interest limitation rule in line with the EU Anti-Tax Avoidance Directive (ATAD 1). Broadly, the interest limitation rule restricts the tax deductibility of net financing expenses to the higher of 30% of tax EBITDA (earnings before interest, taxes, depreciation, and amortization) or EUR 1 million. "Financing expenses" are defined in the legislation. This rule does not apply to financial institutions such as banks and insurance companies and standalone taxpayers that are not part of a group.

Controlled foreign companies: Slovenia has implemented controlled foreign company (CFC) rules in line with ATAD 1. The CFC income of a low-taxed CFC of a taxpayer is included in the taxable base of that taxpayer. Losses of a CFC are not included in the taxable base of the taxpayer; however, they may be carried forward to future tax periods.

A CFC generally is defined as an entity whose profits are not subject to tax or are exempt in the entity's member state of residence, if:

- The taxpayer holds, individually or together with affiliates, a direct or indirect "stake" of more than 50% in the entity; and
- The actual corporate income tax paid by the entity or permanent establishment is effectively lower than one-half of the corporate income tax that would have been due in the taxpayer's member state of residence.

Anti-hybrid rules: Slovenia has implemented hybrid mismatch rules in line with ATAD 1 and ATAD 2.

Economic substance requirements: There are no specific economic substance requirements in Slovenia; however, the Tax Procedure Act contains a provision aimed at preventing tax avoidance or abuse, which is based on a substance over form approach. In accordance with this provision, invalid legal transactions, fictitious transactions, and breaches of law due to a particular act or conduct are not recognized for tax purposes.

Disclosure requirements: Transfer pricing documentation must be provided when requested by the tax authorities. Slovenia has implemented country-by-country (CbC) reporting requirements. A Slovenian entity that is deemed to be a constituent entity of a multinational enterprise group is liable to submit a CbC notification.

Exit tax: Under the Corporate Income Tax Act, any positive difference between the fair market value and the tax value of assets that leave Slovenia is taxed at the rate of 22%. The tax can be paid in up to five annual installments.

General anti-avoidance rule: General anti-avoidance rules allow the tax authorities to assess tax based on the substance-over-form and economic substance principles, both in domestic and cross-border cases.

Slovenia also has implemented a general anti-abuse rule in line with ATAD 1.

Other: The 95% dividend exemption and the benefits of the EU parent-subsidiary directive cannot be applied if the general intention of the transaction was to obtain the tax benefits (substance-over-form principle).

Value added tax

Rates	
Standard rate	22%
Reduced rate	0%/5%/9.5%

Taxable transactions: VAT is payable on the supply of goods and services made by a taxable person, acting as such, for consideration within Slovenia; on intra-Community acquisitions, including intra-Community acquisitions of new means of transport; and on the import of goods.

Rates: The standard rate is 22%; a reduced rate of 9.5% applies to specific goods and services such as the supply of food, water, or medicine. A special reduced rate of 5% applies to books, newspapers, and periodicals supplied in hardcopy, electronically, or both (including brochures, leaflets and similar products, children's picture books, maps, etc.). Certain transactions are exempt or zero-rated.

Registration: A taxable person must register for VAT purposes if the value of its supplies within the previous 12 months exceeds EUR 50,000.

For taxable persons not established in Slovenia, the VAT registration obligation depends on the types of transactions performed in Slovenia. Generally, the VAT registration obligation arises if the nonestablished taxable person performs a transaction that is taxable in Slovenia.

For certain business-to-consumer transactions, the One Stop Shop system may be used, while for business-to-business supplies of goods and services, the reverse charge mechanism for nonestablished persons may be used under certain conditions.

Filing and payment: The VAT return must be submitted and the VAT paid, by the last business day of the month following the taxable period (which is a calendar month, or three months for smaller taxpayers established in Slovenia). Taxable persons required to submit a European Community (EC) sales list must submit both the VAT return and the EC sales list by the 20th day of the month following the taxable period.

Other taxes on corporations and individuals

Unless otherwise stated, the taxes in this section apply both to companies and individuals and are imposed at the national level.

Social security contributions: The employer is required to withhold employee social security contributions at 22.1% from the employee's gross salary and pay them together with the employer's contribution of 16.1% of gross salary each month as part of payroll accounting. As from 1 January 2024, a mandatory health insurance social security contribution of EUR 35 gross has been introduced. The contribution replaces the previous supplementary voluntary health insurance. Self-employed individuals must remit their own social security contributions.

Payroll tax: There is no payroll tax but the employer is responsible for withholding personal income tax and social security contributions from the employee's gross salary.

Capital duty: There is no capital duty.

Real property tax: A charge for the use of construction land applies for city areas and settlements of urban importance and other living areas. The charge is assessed in advance by the tax authorities for the entire taxable year based on various factors, including the area, location, and potential uses of the land, at rates determined by the local municipalities. The person liable for the payment is the direct user of the land, building, or part of a building (the owner or a tenant of the real estate property).

Transfer tax: A special sales tax is levied at various rates on motor vehicles, and at 2% on the transfer of real estate not subject to VAT.

Stamp duty: There is no stamp duty.

Net wealth/net worth tax: There is no net wealth tax or net worth tax.

Inheritance/estate tax: Inheritance and gift tax applies to the transfer of property and is levied progressively, depending on the value of the property and the recipient's relationship with the deceased/donor.

Other: Insurance premium tax is levied on insurance services at the rate of 8.5%. Financial services that are VAT exempt are subject to the financial services tax, also at 8.5%.

For fiscal years 2024 through 2028, banks and savings banks are liable to an additional tax of 0.2% on the sum of their balance sheet assets. The resulting tax liability may be reduced by additional tax deductions as prescribed by the legislation. The additional temporary tax is capped at 30% of the operating profits before tax, for the relevant year.

Tax treaties: Slovenia has concluded approximately 60 tax treaties. The Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (BEPS MLI) entered into force for Slovenia on 1 July 2018.

For further information on Slovenia's tax treaty network, visit Deloitte International Tax Source.

Tax authorities: Ministry of Finance, Financial Administration of the Republic of Slovenia

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