



AUDITOR

AUDIT • TAX • ACCOUNTING

CLIENT INFORMATION

Slovakia
January 12, 2024

Consolidation measures

In view of Slovakia's high public deficit and enormous debt burden, the parliament of the Slovak Republic adopted a series of consolidation measures on 19 December 2023. With the exception of a few provisions, the changes came into force on **1 January 2024**. The measures include the following in particular:

Increase in court and administrative fees from 1 April 2024

The **public holiday of 1 September - Constitution Day of the Slovak Republic** - will no longer be considered a day of rest or a public holiday within the meaning of the relevant provisions of the Labour Code.

Increase in health insurance contributions

The **health insurance contribution rate** will be increased from 1 January 2024:

- for employers from 10 % to **11 %** or from 5 % to **5.5 %** (in the case of employment of people with disabilities)
- for the self-employed from 14 % to **15 %** or from 7 % to **7.5 %** (in the case of people with disabilities).

Increase in excise duty rates on tobacco products from 1 February 2024 and on alcoholic products from 1 January 2024

Introduction of a bank levy

The levy rate for banks is 0.025. It will gradually decrease until it reaches the same level as for all other regulated companies from 2028 (0.00363).

Amendments to the Income Tax Act

- Increase in the tax rate for **profit shares** paid to **natural persons from 7% to 10%**. The increased tax rate applies to dividends from profits reported for taxable periods from 1 January 2024.

PRAHA • PELHŘIMOV • BRNO • BRATISLAVA • WIEN • HORN

An independent member of UHY International, an association of independent accounting and consulting firms



- Re-introduction of the **minimum tax for legal entities** depending on taxable income (earnings):
 - **EUR 340** - if the taxable income (earnings) does not exceed EUR 50,000
 - **EUR 960** - if the taxable income (earnings) is more than EUR 50,000 but not more than EUR 250,000
 - **EUR 1,920** - if the taxable income (earnings) is more than EUR 250,000 but not more than EUR 500,000
 - **EUR 3,840** - if the taxable income exceeds EUR 500,000

The minimum tax must be paid by those taxpayers whose tax liability calculated in the tax return is lower than the amount of the minimum tax determined, i.e. the taxpayer pays the minimum tax even in the event of a tax loss.

The minimum tax is halved if the taxpayer employs disabled employees (at least 20 % of the average total number of employees).

If the tax period is shortened (e.g. when changing from a calendar year to a different financial year and vice versa or due to the initiation of liquidation or bankruptcy), the amount of minimum tax is reduced proportionately.

The minimum tax or the difference between the minimum tax and the tax calculated in the tax return can be credited against the tax in the three immediately consecutive tax periods, but only for amounts that exceed the minimum tax.

The minimum tax regulations apply for the first time to tax periods beginning on 1 January 2024 at the earliest.

Increase in the VAT rate on alcoholic beverages with an alcohol content of more than 0.5% by volume supplied as part of catering and restaurant services from the original 10% to 20% with effect from 1 January 2024.

If you have any questions, we will be happy to help you.

Your AUDITOR team

Ing. Jana Sadloňová

Tax advisor

T: +421 2 592 03 701

jana.sadlonova@auditor.eu

The information published in this publication is for informational purposes only and is in no way a substitute for legal, business or tax advice. Advice requires knowledge of the particular case and an assessment of all relevant circumstances. We accept no responsibility for decisions made by the reader of this publication based on the information contained herein.