

INPATRIATES

Slovenia

Tax facts for International Assignees



INCOME TAX: WHO IS LIABLE/RESIDENCY

The general principle for taxation in Slovenia is that all income arising from all activities undertaken by natural persons is taxed unless the Slovene personal income tax Act (PIT Act) explicitly states that they are exempt from taxation. Exemptions are interpreted in a restricted manner.

Taxation of income further depends on the type of income the individual receives: employment income, income from other contractual relationships, income of the self-employed, rental income, dividends, interest, capital gains, and other income. During the year, advance tax must be paid from each income type either by way of withholding or by way of an assessment by the Tax Authority. The rules to calculate the tax are different for different kinds of income. On an annual basis certain types of income are summed up together and taxed again in accordance with the valid tax schedule.

In accordance with PIT Act, taxation of natural persons depends on their residency status:

- Tax residents of Slovenia are taxed in Slovenia on the basis of their worldwide income,
- Non-residents are taxed in Slovenia only from income that has its source in Slovenia if valid double tax treaty does not state otherwise.

Tax residents of Slovenia have the right to certain tax reliefs and receive an annual informative tax calculation (based on a calendar year).

Additional taxes may be owed if, during the year, tax withholdings were not sufficient. In practice, additional tax payments usually arise if an individual receives different types of income as rules to withhold tax are different for different types of income.

Non-residents are not entitled to tax reliefs, and they do not receive the annual informative tax calculation. Tax paid during the year is their final tax.

Upon arrival, the personal circumstances of the individual need to be examined in order to determine whether the individual becomes tax resident of Slovenia during his assignment or not.

If the individual fulfills the criteria for becoming tax resident of Slovenia in accordance with Slovene law, a special procedure to change the individual's status in the tax register needs to be undertaken with the Slovene Tax Authority. For this purpose, a special form needs to be filled out and presented to the Tax Authority together with certain documents. The Tax Authority will then make a formal decision regarding the status of the individual.

In case the individual is tax resident of Slovenia in accordance with Slovene legislation but is considered tax resident of another country as per the double tax treaty concluded between Slovenia and that country, he will still need to declare all his income in Slovenia but can exercise his rights under the double tax treaty through the monthly/annual tax returns.

INCOME TAX RATES

Tax rate			
Annual net tax base:		Annual tax in EUR:	
Over	To		
Nil	8,755.00	Nil	16%
8,755.00	25,750.00	1,400.80	+26% for income exceeding 8.755,00 EUR
25,750.00	51,500.00	5,819.50	+33% for income exceeding 27.750,00 EUR
51,500.00	74,160.00	14,317.00	+39% for income exceeding 51.500,00 EUR
74,160.00		23,154.40	+50% for income exceeding 74.160,00 EUR

The net tax base is determined as gross income reduced by mandatory employee social security contributions and, in some cases, tax reliefs and certain costs.

SOCIAL SECURITY RATES

Income from employment in Slovenia is subject to the following social security rates:

- 22,1% is paid from the employee's gross salary, and
- 16,1% must be paid by the employer on top of the employee's gross salary.

In case of other types of income certain contributions might be obligatory.

The individual will be exempt of Slovene social security contributions provided a valid Certificate of Coverage (A1 etc.) is obtained from the home country.

REGISTRATION/FORMALITIES

EU /EEC and CH citizens:

- Work permits are not needed.
- Declaration of their work must be made to Employment Office of Slovenia (ZRSZ).
- Individuals need to register their address in Slovenia if they are present in Slovenia for a period longer than 3 months at the Administrative Unit.
- If needed, social security registration must be done at the Health Insurance Institute of Slovenia (ZZZS).

Citizens of other countries:

- Work and residency permits are needed.
- If needed, social security registration must be done at the Health Insurance Institute of Slovenia (ZZZS)
- Registration of the address in Slovenia must be done after the expat has entered Slovenia at the Administrative Unit.

All individuals to obtain a tax number in Slovenia provided they become taxable in Slovenia.

For further information and to register for future updates contact expat@bdo.global

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