

investments in the digital transformation and green transition. These investments include investments in cloud computing, artificial intelligence and big data, and investments in environmentally friendly technologies, such as cleaner, cheaper, healthier public and private transport. Green transition also refers to decarbonization of the energy sector, energy efficiency of buildings and the introduction of other climate neutrality standards.

Tax authorities have issued additional guidance on this subject in March 2023 - more information.

Limitations to tax base reduction

A general limitation of tax base reduction after utilization of tax reliefs and tax losses carried forward applies in Slovenia. The maximum reduction of the tax base from tax allowances and the tax losses carried forward is limited to 63% of the tax base for a tax period, which results in an effective minimum corporate tax rate of 7%.

Keep the limitation of the tax base in mind planning for various tax reliefs in the next years since not all of them can be carried forward and should be utilized in the year when they occur.

Taxation of employee equity compensation schemes

Tax authorities have increased their focus on employee equity compensation schemes, such as stock options or restricted stock awards from abroad in recent years. Due to specific reporting procedures of such income in Slovenia, and whether or how social security contributions and taxes were paid, this has become one of their main focuses.

Review and verify if tax reporting of such awards is implemented correctly within your company.

May Jul Jun

Compliance

Risk management

Cash-flow and ETR impact

Aug

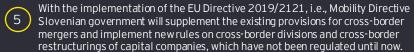
Action No. **Fact**

Transfer pricing inspections

Amount of TP inspections keeps increasing over the years. Inspections usually relate to intragroup services, intercompany loans, business restructurings and long-term tax losses.

Take a proactive approach to transfer pricing policy and documenting of related party transactions. Check if you need any additional support related to any of the relevant areas.

Proposed changes of Companies act



Review and take into account these changes in relation to any future crossborder restructuring.



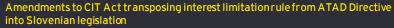
Guidance on controlled foreign companies

Tax authorities have issued additional guidance related to controlled foreign companies in June 2023. In that guidance they confirmed there should be a correlation between corporate income tax and recognition of the deduction of tax on foreign income and that they must be interpreted in conjunction. Furthermore, they concluded it is not the nominal rate of taxes calculated under foreign law that is key. but the amount of tax that was actually paid. Provision in question should be interpreted in such a way as to take into account the effective tax obligation, i.e., the tax that a foreign legal entity is obliged to pay after all adjustments to the accounting profit for tax purposes and after all tax deductions.

Keep that guidance in mind when determining controlled foreign companies.



For more information on this topic, click here.



In July 2023, proposal of amendments to CIT Act has been published, implementing interest limitation rule from ATAD Directive. Effective date of the accepted proposal was 9 February 2024.

Based on new provision, financing costs (interest, other costs) tax deductible up to the amount of 30% of EBITDA or EUR 1 mio, depending on which is higher.

Review related parties financing and assess potential impact of interest limitation rule.







No.	Fact	Action
8	Minimum Taxation Tax Act The National Assembly of the Republic of Slovenia approved the Minimum Tax Law ("MTL"), which introduces new taxation for large domestic groups and international groups of companies established in the Republic of Slovenia. The minimal effective taxation rate of 15% will apply to multinational groups of companies with revenues exceeding EUR 750 million for financial years starting from 31 December 2023 onwards. The MTL entered into force on the day following its publication in the Official Gazette of the Republic of Slovenia (22 December 2023) and applies to financial years beginning on 31 December 2023 and later (with the exception of the provisions of Articles 15 and 16, which will apply to financial years beginning on 31 December 2024).	Review and take into account a minimum tax according to OECD Pillar Two rules.
9	Increase of the corporate income tax rate Act on the reconstruction, development and provision of financial resources introduces a temporary increase in the corporate income tax rate to 22%. The new regime entered into force on 1 January 2024 and expires on 31 December 2028.	Review and take into account what are the possible obligations of the company.
10	Balance sheet tax for banks and savings banks Balance sheet tax for banks and savings banks is introduced for the same period 2024 - 2028, which will amount to 0.2% and will be an income of the dedicated budget fund, set up by the above-mentioned Act. Similarly, the net balance sheet profit of the Slovenian Sovereign Holding will also become revenue of the dedicated budget fund over a period of five financial years following the year of entry into force of the law.	Review and take into account what are the possible obligations of the company.
(11)	Taxation of interest of natural persons Act on the reconstruction, development and provision of financial resources also amends the Personal Income Tax Act (ZDoh-2), namely the field of taxation of investments of natural persons into securities issued by the Republic of Slovenia and issued in 2024, 2025 or 2026. In the exemption provision in Article 133 of ZDoh-2, the sum of tax bases on interest on such securities, as well as from interest on cash deposits in banks and savings banks, is reduced by EUR 1000. Personal income tax on interest on cash deposits and on securities issued in 2024, 2025 or 2026 will be calculated and paid on annual basis.	Review and take into account what are the possible obligations of the company.



No. Fact Action

Application of the higher corporate income tax rate for taxable persons with the tax year different from the calendar year

Act on Reconstruction, Development and Provision of Financial resources has introduced an increased corporate tax rate of 22% for calendar years 2024-2028. According to the clarification obtained from Slovenian Tax Authority, those companies that have a financial year different from the calendar year will need to consider the new tax rate with respect to the tax period starting in the calendar year 2023 and ending in 2024, i.e. the new rate of 22% will be applied to those months relating to the calendar year 2024. The monthly advance payment for the subsequent tax period will be calculated based on the new tax rate of 22% for both, taxable persons whose tax year ended on 31 December 2023, and those with a later tax period (year) end date which will occur during the calendar year 2024.

Review and take into account what are the possible obligations of the company.





Act amending and supplementing the Act on excise duties

Act amending and supplementing the Act on excise duties introduces the conditions for eligibility for the exemption from excise duty on energy products for energy intensive enterprises and transferring the conditions for the reimbursement of excise duty for commercial transport and industrial-commercial purposes.

Review and take into account what are the possible obligations of the company.







Contacts:

Matej Kovačič Partner Ernst & Young Svetovanje d.o.o.

matej.kovacic@si.ey.com

Mojca Lukač Director Ernst & Young Svetovanje d.o.o.

mojca.lukac@si.ey.com

Anka Pogačnik Senior Manager Ernst & Young Svetovanje d.o.o.

anka.pogacnik@si.ey.com



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