



Update from Slovakia – 20 March 2020

The new Finance and Economy Ministers have already introduced a package of reliefs for entrepreneurs (publicly called as 13-measure-package), including the suspension of tax payments **and potential reliefs in the field of payroll taxes, social and health security contributions or other tax reliefs**. Some measures need to be implemented by changing the currently valid law.

The official statement of the Tax Authority enables to all taxpayers to extend the deadline for the submission of IT returns and the resulting tax payment till June 30, 2020 without the need of any announcement (standard deadline is 31.3./30.6./ in special cases 30.9., but the taxpayer must submit an announcement to the tax authority till 31.3.). The new regulation valid since March 19, 2020 mitigates all penalties resulting from the delay in the submission of IT returns or from the delay in payments.

The 13-measure-package consists of:

1. Negotiating with banks the possibility of **postponing loan and mortgage repayments** without a negative record for the debtor in the register. Introduction of the possibility to freeze interest and principal repayments for individuals and legal entities.
2. **Simplifying and making short-term soft loans for businesses** in selected sectors more attractive through the Slovak Guarantee and Development Bank. This includes interest-free loans for small and medium-sized enterprises in an amount from EUR 10,000 to EUR 350,000.
3. Implementing systematic **support for investment in fixed assets** - “tax super depreciation” and accelerated depreciation through the Slovak Investment Holding and the European Investment Bank
4. **Adjusting tax loss amortization options** and extending tax loss amortization period. (removal of existing restrictions).
5. **Extending deadlines for filing tax returns** for all taxpayers from 31 March to 30 June 2020.
6. Temporary **suspension of social security and health care contributions** for a period of three months and their subsequent payment during the period of 18 months.
7. **Exemption of payments paid by employees from social security, health care contributions and income tax**. This scheme would apply to employers who have to have close premises by the state’s decision or record loss of orders.
8. **Simplifying the conditions for providing a contribution to the maintenance of jobs** for small enterprises and sole traders significantly.
9. For a certain period, the state budget would finance the costs of supported technologies of electricity production (the so-called tariff for system operation). This could **reduce the price of electricity** for businesses and households.
10. Encouraging discussion at European level to allow usage of funds from European Structural and Investment Funds to cover the effects of the crisis. The aim of this measure is to **use EU funds for the enterprises that have been previously excluded**.



11. **Change in family custody conditions.**

12. **Extension of the period for payment of the customs debt** from the current 10 days to 30 or up to 40 days.

13. **Not imposing fines on companies** if they are unable to fulfil the public contract on time and limit controls by state authorities.

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