

COVID-19 MEASURES – SLOVAKIA

Measures taken as at 31 March 2020

After less than a week of existence of the newly appointed Slovak government, the government introduced and approved the first measures to mitigate the negative impact of the COVID-19 outbreak on the Slovak economy and to support both businesses and individuals.

TAX RETURN FILING DEADLINES

1. The general **filing deadline for both personal and corporate income tax returns** (normally 31 March) has been **extended until 30 June** without the need to file an announcement and without any penalties. This new deadline is valid also for the payment of tax (normally 31 March).
2. Taxpayers with income from abroad may postpone their deadline for filing the tax return and for the payment of tax as late as **until 30 September**. However, in such a case, an announcement on deadline extension is to be filed with the tax authority until 31 March.

“FIRST AID” FOR BUSINESSES AND EMPLOYEES – MEASURES AIMED AT SAFEGUARDING JOBS

1. coverage of 80% of salaries for businesses mandatorily closed by the government decree (e.g. retailers)*
2. contribution of EUR 180 - 540 per employee depending on sales decrease as follows: *
decrease > 20%: state contributes EUR 180 per employee
decrease > 40%: state contributes EUR 300 per employee
decrease > 60%: state contributes EUR 420 per employee
decrease > 80%: state contributes EUR 540 per employee
3. “quarantine sick leave” and contributions to parents paid by state from day 1 (55% of gross salary/ca. 70% of the net salary)
4. postponing employer social security contributions in the case of substantial sales decrease (over 40%)
5. postponing income tax prepayments in the case of substantial sales decrease (over 40%)
6. the government will provide bank guarantees in the amount of EUR 500 million per month, so that banks are able to finance businesses under favourable conditions
7. unlimited deduction of tax losses carried forward since 2014 (retroactively for 2019)

These measures are expected to cost the government EUR 1.5 billion a month. Due to the EU state aid rules, the above package (point 1.* and 2.*)

BMB Partners s.r.o.
Zámocká 34
811 01 Bratislava
Slovakia
Tel: +421 2 212 99 000
www.bmb.sk
www.taxand.com

Spoločnosť zapísaná v OR OS
Bratislava I
Oddiel: Sro, vložka č. 24874/B
IČO: 35 819 855
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is aimed at SME and limited generally by EUR 200 thousand per company with the aim to secure jobs.

Numerous other measures are being considered, discussed and will be introduced gradually.

Currently, an intense discussion takes place regarding the suspension of /decrease in rental payments to business centres. As at today, an intervention by the state is not likely.