Slovenia Country Profile

EU Tax Centre

June 2017

Key tax factors for efficient cross-border business and investment involving Slovenia

EU Member State

Yes

Double Tax Treaties

With:

Albania	Egypt[(a)]	Kazakhstan	Romania
Armenia	Estonia	Kosovo	Russia
Austria	Finland	Kuwait	Serbia
Azerbaijan	France	Latvia	Singapore
Belarus	Georgia	Lithuania	Slovakia
Belgium	Germany	Luxembourg	Spain
Bosnia & Herzegovina	Greece	Macedonia	Sweden
Bulgaria	Hungary	Malta	Switzerland
Canada	Iceland	Moldova	Thailand
China	India	Montenegro	Turkey
Croatia	Iran	Netherlands	UK
Cyprus	Rep. of Ireland	Norway	Ukraine
Czech Rep.	Israel	Poland	UAE
Denmark	Italy	Portugal	US
	Rep. of Korea	Qatar	Uzbekistan

Notes: (a) Treaty signed but not yet in force

Forms of doing business

Limited liability company and joint-stock company, also limited and general partnerships.

Legal entity capital requirements

Share capital: EUR 7,500 for limited liability company and EUR 25,000 for joint stock company.

Residence and tax system

Legal entities having their legal seat or place of effective management in the territory of Slovenia are residents for income tax purposes.

Resident companies are taxed on their worldwide income. Non-resident companies are taxed on their Slovenian source income only.

Compliance requirements for CIT purposes

Fiscal year can equal or deviate from the calendar year. In general, submission of the CIT return to tax authorities within 3 months after the end of the fiscal year.

Tax rate

The standard corporate income tax rate is 19 percent.

Withholding tax rates

On dividends paid to non-resident companies

Vary between 15 percent and exemption.

On interest paid to non-resident companies

Vary between 15 percent and exemption.

On patent royalties and certain copyright royalties paid to non-resident companies

Vary between 15 percent and exemption.

On fees for technical services

No, unless services paid to a company located in tax haven and such country is listed on a "black list" published by the Ministry of Finance in Slovenia.

On other payments

See above.

Branch withholding taxes

See above.

Holding rules

Dividend received from resident/non-resident subsidiaries

Exemption. No participation requirement or minimum holding period is required. Exemption does not apply where the dividend paying company is resident in a non-EU jurisdiction where the general or average nominal tax rate is lower than 12.5 percent and which is included on a “black list” published by the Ministry of Finance.

Capital gains obtained from resident/non-resident subsidiaries

50 percent exempt if certain conditions are met:

- Participation requirement: 8 percent;
- Minimum holding period: 6 months;
- At least one employee employed on a full-time basis in the period concerned;
- The participation should not be held in a company that is resident in a non-EU jurisdiction where the general or average nominal tax rate is lower than 12.5 percent and which is included on a “black list” published by the Ministry of Finance.

Tax losses	Tax loss may be carried forward without limit and may be utilized up to the amount equal to 50 percent of the positive taxable basis. No carry back of losses. If, during a tax period, the ownership of equity capital and/or equity holdings or voting rights of the taxpayer changes directly or indirectly by more than 50 percent compared to the state of ownership at the beginning of the tax period and the taxpayer (i) did not perform the activity two years prior to the change in ownership; or (ii) considerably changed the activity two years prior to or after the change in ownership, accumulated tax losses, as well as losses realized in the year of the change in ownership, cannot be carried forward.
Tax consolidation rules/Group relief rules	No
Registration duties	No
Transfer duties	On the transfer of shares No On the transfer of land and buildings 2 percent Real Estate Transfer Tax. Stamp duties No Real estate taxes No
Controlled Foreign Company rules	No
Transfer pricing rules	General transfer pricing rules Yes Documentation requirement Yes
Thin capitalization rules	Yes, the debt-to-equity ratio is 4:1.
General Anti-Avoidance rules (GAAR)	Yes

Specific Anti-Avoidance rules/Anti Treaty Shopping Provisions	Principle "substance over form" - Tax Procedure Act.
Advance Ruling system	Binding ruling may be obtained in some cases. Advanced Pricing Agreements may be concluded for transfer pricing issues.
IP / R&D incentives	Yes
Other incentives	40 percent investment incentive on intangible assets and equipment (except for office equipment and furniture). 100 percent tax allowance for R&D expenses.
VAT	The standard rate is 22 percent, and the reduced rate is 9.5 percent.
Other relevant points of attention	No

Source: Slovenian tax law and local tax administration guidelines, updated 2017.

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