

# News Flash

December 19, 2022



**Changes in the field of tax administration in Slovakia from 2023**

## Changes in the field of tax administration in Slovakia

On December 6, 2022 the National Council of the Slovak Republic approved the government's draft amendment to the Income Tax Act, which indirectly amends the **Tax Administration Act** as of January 1, 2023. Some of the adopted changes, regarding the **institution of a second chance for the imposition of sanctions** and also **the shortening of the period for the imposition of interest on late payment**, have been postponed until January 1, 2024. Below we bring you a brief summary of the most significant changes resulting from the adopted amendment.

In order for the changes to enter into force, they must still be signed by the President of the Slovak Republic and published in the Collection of Laws of the Slovak Republic.

### The institute of the „second chance“

The amended provision **concerns the mitigation of sanctions** in the case of the **first detected violation of tax obligations** towards the tax authority.

For the first violation of tax obligations, the tax authority will not impose a penalty, which is determined by the interval, but will warn the tax subject to fulfill his obligation, and if the obligation was fulfilled late, the tax authority will warn the tax subject that a penalty will be imposed on him for the next violation.

Violation will be assessed according to the factual nature of the administrative offense, specifically by the tax office and the customs office. This provision will enter into force on January 1, 2024.

### Shortening the deadline for charging late payment interest

The amendment includes shortening of the period for levying interest on delay in payment of arrears (advance tax, tax instalments, amount to secure tax or in case of late payment of selected advance tax or withheld tax) from the original five years **to a maximum period of up to one year** from the end of the year, in which the arrears will be paid.

### Speeding up the return of the driver's license if distraint has been stopped

According to the amendment, after the suspension of enforcement proceedings, the seized driver's license will be returned, in such a way that the decision is delivered to the Police Force without delay, while there is no need to wait for its legal validity.

### Effective regret

In the case of effective remorse for **tax crimes** within the meaning of the Criminal Code, it will be possible to levy the tax by **paying it even after the right to levy the tax has expired**.

### Tax reliability index

The shorter period of **8 days** for compliance with certain obligation towards Slovak tax authority **in connection with a tax audit**, assessment procedure or local investigation will now apply to a taxpayer who has been **assigned a status of less reliable taxpayer** (instead of unreliable index) based on tax reliability index.

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