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#ACCOUNTING

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Tax and Accounting News



1.

Third consolidation package and related changes

On 24 September 2025, Parliament approved, under accelerated legislative procedure, a third consolidation package. Below you will find a summary of the most significant changes.

Amendment to the Income Tax Act

- **Introduction of new progressive tax bands for personal income.** Two new higher income tax rates of 30% and 35% will be introduced. The 30% rate will apply to the portion of the tax base exceeding approximately EUR 60,000, and the 35% rate to income exceeding approximately EUR 75,000.

The existing 19% rate will continue to apply up to a tax base of around EUR 44,000, and the 25% rate to income between approximately EUR 44,000 and about EUR 60,000.

These new rates will take effect from 1 January 2026.

- Following the introduction of additional personal income tax bands, the provision governing the gradual reduction in **the non-taxable part of the tax base for the taxpayer and the taxpayer's spouse has been amended**, depending on the total tax base achieved. These changes to the calculation of the non-taxable part of the tax base will first apply for the 2026 tax period. This means that, for the annual income reconciliation for 2025, or for taxation by means of the income tax return for 2025, the provisions of the Income Tax Act valid and effective until 31 December 2025 will continue to apply.
- The method of calculating **advance income tax payments on employment income** is also being amended. The calculation method applying tax rates from 19% to 35% will be used for the first time when calculating advance payments for January 2026.
- The **special income tax rate on the employment income of selected constitutional officials** (for example, MPs, the president, members of the government, and the president and vice-president of the Supreme Audit Office) will increase from 5% to 10%.
- A **new special tax base is being introduced for income (revenue) from fees charged for executing payment-card transactions in favour of a gaming account**, which will include income (revenue) from such fees credited to a gaming account. These are fees charged by banks or by branches of foreign banks to their clients, meaning that the taxpayer is the bank or the branch itself. Taxation of income (revenue) from fees charged for executing payment-card transactions in favour of a gaming account under this special tax base will apply to fees charged after 31 December 2025. In connection with the introduction of this new special tax base, a **new corporate income tax rate** of 54% has also been introduced.
- To promote the use of **deductions for investment expenditure**, the investment period is being extended from the current six years (2022–2027) to nine years (2022–2030).

- A new minimum-tax band is being introduced under Section 46b of the Income Tax Act, set at EUR 11,520 for corporate taxpayers whose taxable income (revenue) for the relevant period exceeds EUR 5 million. The new minimum-tax band will first apply for tax periods beginning on or after 1 January 2026, that is, for the 2026 calendar year and for any financial year beginning during 2026.
- In connection with the new Section 85n of the VAT Act (see below), the transitional provisions specify that value added tax for which the taxpayer is not entitled to a deduction (for example, on the acquisition of a passenger car) will not be regarded as a tax-deductible expense.

Amendment to the Value Added Tax Act (“VAT Act”)

The purpose of the amendment is to introduce a flat 50% VAT deduction on the acquisition of passenger motor vehicles not used by the taxable person exclusively for business purposes, as well as on goods and services acquired in connection with the use of such vehicles. We informed you of this proposed measure in the March 2025 newsletter.

The 50% flat VAT deduction will apply to the purchase and lease of passenger motor vehicles (excluding short-term leases), to acquisitions from another EU Member State, and to imports of vehicles in categories M1, L1e, and L3e (hereinafter “passenger motor vehicles”) that are also used for purposes other than business. This provision is intended to apply to passenger motor vehicles acquired between 1 January 2026 and 30 June 2028, or used during that period under a lease agreement other than a short-term lease.

The 50% flat deduction will apply not only to the passenger motor vehicles specified above, but also to goods and services supplied to the taxable person in connection with the use of those vehicles. This includes, for example, spare parts, fuel, and car repair services. It should be noted that the flat deduction will also apply where such goods or services are acquired or received in connection with the use of passenger motor vehicles acquired before the reference period, or vehicles already in use before that period began.

The flat VAT deduction will not apply in the following cases specified by law:

- short-term or other leases;
- the transport of passengers and their luggage for consideration, including taxi services;
- the operation of a driving school, if the passenger motor vehicle is used as a training vehicle; or
- the use of a passenger motor vehicle as a demonstration or test vehicle, or as a replacement vehicle provided to a customer during the repair of the customer’s own passenger motor vehicle or while other services are being performed on it.

These rules will likewise not apply where the taxable person does not classify the acquired passenger motor vehicle as a fixed asset, but records it as inventory (for example, car dealers).

In addition, the flat VAT deduction will not apply to passenger motor vehicles that the taxable person acquires or begins to use **exclusively for business purposes** in the period from 1 January 2026 to 30 June 2028. In such cases, the taxable person will be required to **keep sufficiently detailed electronic records** demonstrating the extent of the vehicle’s exclusive business use. The fact that a passenger motor vehicle is used exclusively for business must also be notified to the tax authority on a specific form. If the vehicle is used under a long-term lease, such as an operating lease, the taxable person will be required to notify the tax authority of the deduction of VAT on the received service, to the extent that it relates exclusively to business use, only for the first tax period in which such a deduction was applied to that extent.

The second amendment to the VAT Act concerns Annex 7, which is being revised so that certain finished products intended for human consumption that contain higher levels of salt or sugar are removed from the list of goods subject to the reduced VAT rate of 19%. These goods will therefore be subject to the standard VAT rate of 23%, except for those that are, or will be, classified under a separate regulation as categorised dietary foods.

Amendment to Act No 580/2004 on health insurance

This amendment increases the rate of contributions to public health insurance. For employees, self-employed persons, self-paying insured persons, and employers, this will mean the following from 1 January 2026:

- the employee contribution rate will increase to 5% (up by 1%), and to 2.5% (up by 0.5%) if the employee is a person with a disability;
- the temporary measure under which the contribution rate for self-employed persons and self-paying insured persons was increased to 15% (or 7.5% for persons with a disability) will become a permanent measure. For the period from 1 January 2026 to 31 December 2027, the contribution rate will increase to 16% (up by 1%), and to 8% (up by 0.5%) if the insured person is a person with a disability;
- the temporary measure under which the employer contribution rate was increased to 11% will remain in force until 31 December 2027, and is expected to return to its original level of 10% from 1 January 2028.

The health insurance contribution rates applicable in individual years are shown in the following table:

| Payer of insurance contributions | Rate until 31 Dec 2025 | | Rate from 1 Jan 2026 to 31 Dec 2027 | |
|----------------------------------|------------------------|-----------------|-------------------------------------|-----------------|
| | without disability | with disability | without disability | with disability |
| employee | 4 % | 2 % | 5 % | 2,5 % |
| employer | 11 % | 5,5 % | 11 % | 5,5 % |
| self-employed / self-payer | 15 % | 7,5 % | 16 % | 8 % |

| Payer of insurance contributions | Rate from 1 Jan 2028 | |
|----------------------------------|----------------------|-----------------|
| | without disability | with disability |
| employee | 5 % | 2,5 % |
| employer | 10 % | 5 % |
| self-employed / self-payer | 15 % | 7,5 % |

Amendment to Act No 461/2003 on social insurance

With effect from 1 January 2026, the adopted amendment introduces several changes that will have a particularly significant impact on self-employed persons:

- The obligation for the self-employed to pay social insurance contributions will newly arise on the first day of the sixth calendar month following the month in which a natural person obtains authorisation to carry on or operate a gainful activity. For example, a self-employed person who obtains authorisation to conduct business in January 2026 will become liable from 1 July 2026 to pay mandatory social insurance contributions based on a “special” assessment base equal to 26% of the average monthly wage in the Slovak Republic two years earlier (for 2026, this means EUR 131.34 per month).
- The same mandatory social insurance contribution of EUR 131.34 will also apply to existing self-employed persons whose income, according to their tax return, does not exceed the statutory threshold (i.e. 50% of the general assessment base from two years earlier, currently EUR 9,144).
- The minimum monthly assessment base for social insurance will increase from 50% to 60% of the average monthly wage in the Slovak Republic two years earlier. Accordingly, the minimum assessment base for calculating contributions in 2026 will be EUR 914.40, meaning that the minimum monthly social insurance contribution of a self-employed person will rise to EUR 303.11.

From 1 January 2026, the amendment will also introduce several changes affecting employees, for example:

- During the first three months of a support period, the unemployment benefit will remain at its current level of 50% of the daily assessment base. However, in the subsequent months of the support period, the benefit will gradually decrease by 10% per month, reaching 20% of the daily assessment base in the sixth month of the period.
- Employees will be entitled to sickness benefit as of the 15th day of temporary incapacity for work, meaning that employers will be required to provide income compensation during an employee's incapacity for 14 days, instead of the current 10 days.

Tax amnesty / general tax pardon

Regulation No 243/2025 on the extinguishment of tax arrears corresponding to an unpaid sanction relating to a paid tax, and on the waiver of penalties and default interest, gives taxpayers the opportunity to settle outstanding tax arrears recorded as at 30 September 2025 without penalties or interest on arrears.

This option is time-limited, with the arrears having to be paid during the period from 1 January 2026 to 30 June 2026. If a taxpayer has been charged a penalty or interest on arrears in connection with a tax debt, these will be cancelled upon payment of the outstanding tax as at 30 September 2026.

The Regulation also provides that if a taxpayer, during the period from 1 January 2026 to 30 June 2026:

- submits a tax return whose filing deadline expired by 30 September 2025, and pays the corresponding tax within the same period, the penalty for failure to submit the tax return within the prescribed time limit, as well as the interest on arrears, will be waived; or
- submits an amended tax return for a tax return whose filing deadline expired by 30 September 2025, and pays the tax amount or the additional tax difference arising from that amended return within the same period, the penalty will likewise be waived.

Other selected changes

- increase in the insurance tax rate from 8% to 10% for non-life insurance;
- increase in the special levy rate for the collective investment sector (investment companies, management companies, pension fund management companies, and supplementary pension management companies) from the basic rate of 4.36% to 15%;
- increase in gambling taxation through a higher levy on online games (from 27% to 30%) and higher effective taxation of land-based establishments;
- introduction of a charge on extracted primary raw materials (gravel, sand, and building stone) at EUR 1.35 per tonne;
- introduction of QR payments;
- introduction of social insurance contributions on income currently exempt from the obligation to pay contributions (sickness benefit, maternity benefit, carer's benefit);
- improved targeting of inspection activities during periods of sickness benefit;
- legislative reform to curb the misuse of forced self-employment;
- retention of the 13th pension for 2026–2028 at the 2025 level;
- abolition of certain public holidays (17 November in 2025; accompanied by 8 May and 15 September in 2026).

The Ministry of Finance of the Slovak Republic is also considering further measures in the following areas: a contribution by banks to fiscal consolidation, the taxation of large retail chains, and the introduction of a digital services tax.

2.

Amendment to the Financial Transaction Tax Act

At its September session, the National Council of the Slovak Republic approved an amendment to Act No 279/2024 on the financial transaction tax (the “Financial Transaction Tax Act”). The most significant change limits the taxpayer exclusively to legal persons. This means that, with effect from 1 January 2026, the financial transaction tax will no longer apply to self-employed natural persons.

The other changes in the amendment aim mainly to clarify and resolve a number of practical issues arising from the previous wording of the Financial Transaction Tax Act, particularly in relation to foreign legal persons. The most important changes are as follows:

- Introduction of a specific definition of a permanent establishment for the purposes of the Financial Transaction Tax Act. The definition is based on that in the Income Tax Act, but in addition to standard (classic), construction, service, and agency permanent establishments, it explicitly includes electronic shops (e-shops) and online marketplaces (platforms) located in Slovakia, insurance risks situated in Slovakia, and branches themselves. The permanence test for “classic” and service permanent establishments is set at **15 days within the tax period**, which should remove any doubt as to whether activities are carried out in Slovakia for the purposes of applying the Financial Transaction Tax Act to foreign entities.
- Classification of taxpayers as residents or non-residents of Slovakia. Tax residence will be determined by the taxpayer’s registered office. A non-resident taxpayer will be deemed a taxpayer for the purposes of the Financial Transaction Tax Act if they:
 - use payment services provided by a Slovak provider; or
 - carry out activities in Slovakia through a permanent establishment (see above).

Conversely, branches of foreign entities have been removed from the definition of a taxpayer. From a procedural perspective, it therefore remains unclear who will file a Notification (the founder or the branch) and to which taxpayer account the tax should be paid. This matter is currently being discussed with the responsible representatives of the Ministry of Finance of the Slovak Republic and the Financial Administration, and taxpayers will be informed in advance.

- Introduction of a sanction mechanism for carrying out payment transactions subject to tax from a special account used for financial transactions not subject to the financial transaction tax.

If you have any further questions or need additional information, feel free to contact us at the following email address

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* **Please note that the above information is of a general and informative nature and should be interpreted within a broader legislative context.** For specific cases, we recommend requesting an individual opinion. We do not accept responsibility for any actions taken based on the information provided.