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#ACCOUNTING
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Tax and Accounting News

1. Advance payments of corporate income tax

With the deadline for filing tax returns approaching, please note the obligation to make advance payments of corporate income tax.

Amount of advance payments and payment deadlines

As in the previous tax period, advance payments are made in accordance with Act No 595/2003 on income tax, as amended (the "ITA"), as follows:

- if the tax liability for the previous tax period exceeded EUR 16,600, the taxpayer is required to make monthly advance payments, payable by the end of the relevant calendar month;
- if the tax liability for the previous tax period exceeded EUR 5,000 but did not exceed EUR 16,600, the taxpayer makes quarterly advance payments, payable by the end of the relevant calendar quarter.

For the sake of completeness, these thresholds also apply to individuals with income within the scope of section 6(1) and (2) of the ITA.

Unless the tax authority determines otherwise by a decision, the following taxpayers are not required to make advance payments of corporate income tax:

- taxpayers whose tax liability for the previous tax period did not exceed EUR 5,000;
- taxpayers in liquidation or bankruptcy;
- taxpayers filing a tax return for the first time, for the tax period in which the return is to be filed, up to the filing deadline.

Advance payments up to the tax return filing deadline

For advance payments made from 1 January 2026 up to the deadline for filing the tax return for the 2025 tax period (i.e. 31 March 2026, provided no extension has been granted), the amount is **based on the tax return for the 2024 tax period.** Accordingly, until the filing deadline for the 2025 tax return, taxpayers continue to make advance payments based on the tax reported in the 2024 tax return.

The same approach applies to non-calendar financial years.

Advance payments after the tax return filing deadline

Advance payments for the 2026 tax period falling due after the deadline for filing the tax return for the 2025 tax period (i.e. after 31 March 2026, provided no extension has been granted) are calculated based on the **tax reported in the 2025 tax return,** using the tax rates applicable for 2025 (10%, 21%, or 24%, depending on taxable income).

Any shortfall in advance payments for the period up to the 2025 filing deadline (e.g. January–March 2026) does not need to be settled. Any overpayment, by contrast, may be claimed by the taxpayer in writing or applied against future advance payments.

2.

General Court of the EU judgment T-689/24 in I.S.A.

In this case, I.S.A., a company subject to VAT in Poland, is regarded, in the course of its activities, as a purchaser and reseller of goods. I.S.A. applied to the tax authority for an individual interpretation of VAT law to ascertain whether it had the right to deduct the input VAT indicated on properly issued invoices for the purchase of gas and electricity where invoices relating to purchases made in the given tax period were received only in the following tax period, but no later than the deadline by which it was to file its tax return.

According to the settled case law of the Court of Justice, the right of taxable persons to deduct VAT due or paid on goods acquired or services received is a fundamental principle of the common system of VAT established by EU legislation. The right of deduction provided for in Article 167 et seq. of the VAT Directive forms an integral part of the VAT mechanism and, in principle, cannot be limited where taxable persons seeking to exercise that right satisfy **both the substantive and formal conditions** to which it is subject.

According to Article 167 of the VAT Directive, the right of deduction arises at the time when the deductible tax becomes chargeable, namely when the goods are delivered or the services are performed.

In this context, a distinction must be made between the substantive and formal conditions governing the right to deduct VAT. According to settled case law, the principles of VAT neutrality and proportionality require that the deduction of input VAT be allowed where the substantive requirements are satisfied, even if certain formal conditions have not been met. The Court of Justice has also specified that the non-compliance with formal requirements, which may be remedied, is not such as to call into question the proper functioning of the VAT system. The right of deduction therefore arises independently of the holding of an invoice, which amounts to only a formal condition for the exercise of that right.

The General Court held that a taxable person may exercise the right to deduct input VAT in a tax return filed for a period in which the substantive conditions for exercising that right were met, even if the corresponding invoice had not yet been received in that period, provided that the invoice was received before the tax return was filed.

3.

General Court of the EU judgment T-638/24 in Finanzamt Österreich v. D GmbH

In this case, the Austrian company D acquired goods from suppliers established in Austria (the "suppliers"), which were transported from Austria to other Member States. In the context of those acquisitions, D communicated its Austrian VAT identification number to the suppliers. The suppliers charged Austrian VAT on invoices relating to the supply of those goods. For the purposes of its tax returns, D took the view, first, that this VAT was deductible and, second, that the acquisitions in question did not constitute intra-Community acquisitions taxable in Austria.

In the course of a tax audit, the Austrian tax authority issued VAT notices against D for the tax years 2011 to 2015 in respect of the above-mentioned transactions. The tax authority found that those transactions constituted intra-Community acquisitions of goods within the meaning of the first paragraph of Article 20 of the VAT Directive. It found that D had used its Austrian VAT identification number for those transactions but had not demonstrated that the acquisitions were subject to VAT in the Member State in which the dispatch or transport of the goods ended. On that basis, the tax authority concluded that the acquisitions were taxable in Austria in accordance with the national provision transposing Article 41 of the VAT Directive. Furthermore, the tax authority took the view that the corresponding intra-Community supplies should have been exempt from VAT and that, consequently, the suppliers had incorrectly invoiced VAT for those supplies. However, the suppliers were liable for that VAT because, under the national provision transposing Article 203 of the VAT Directive, VAT is payable by any person who states that VAT on an invoice. In that context, the tax authority denied D the right to deduct the input VAT entered on the invoices in question.

The General Court ruled that Articles 40, 41, and 203 of the VAT Directive must be interpreted as not precluding the application of national legislation which applies VAT to an intra-Community acquisition in the Member State in which dispatch or transport of the goods began, on the ground that the person acquiring the goods made that acquisition under the VAT identification number issued by that Member State, where such an acquisition results from an intra-Community supply exempt from VAT for which there is a tax liability in that Member State pursuant to the rule set out in Article 203 of that directive, as a result of VAT having been incorrectly invoiced for that supply.

This judgment confirms the potential risk of double taxation under section 17(1) and (2) of the VAT Act in cases where VAT transactions are incorrectly assessed or structured.

4.

Allocation of a share of paid tax to a parent

An individual taxpayer is entitled to allocate a share of paid tax:

- of up to 2% to a legal person designated by the taxpayer under section 50(4) of the ITA (in simplified terms, a non-profit organisation that is an eligible recipient for the given year), or up to 3% if the taxpayer carried out volunteer activities during the tax period;
- of 2% to a parent designated by the taxpayer under section 50aa of the ITA.

For the first time, for the 2025 tax period, an individual taxpayer may therefore allocate a total of 6% of paid tax (or 7% if volunteer activities were carried out), namely 2% (or 3%) to a selected non-profit organisation, 2% to one parent, and 2% to the other parent.

For these purposes, a parent is understood to be an individual who, **as at 31 December of the calendar year** for which the share of paid tax is allocated, is: a recipient of an old-age pension (note: not an early retirement pension); a recipient of a disability pension paid after reaching retirement age; a recipient of a service pension paid after reaching retirement age; or a recipient of a disability service pension paid after reaching retirement age.

The allocation of a share of paid tax may be made by the taxpayer (individual) through:

- a declaration forming part of the personal income tax return; or
- a declaration submitted on a separate form, where the taxpayer's employer has carried out the annual settlement of advance payments of employment income tax.

A declaration submitted on a separate form must be filed with the tax authority by 30 April following the end of the tax period.

In this context, with effect from 1 January 2026, the Financial Directorate of the Slovak Republic has introduced two new forms to be used for the allocation of a share of paid tax:

1. "Declaration on the allocation of a share of paid personal income tax under sections 50 and 50aa of Act No 595/2003 on income tax, as amended (the 'Act'), for a taxpayer for whom an annual settlement of advance payments of employment income tax has been carried out for the tax period" – V2Pv25_1;
2. "Confirmation of payment of employment income tax for the purposes of a declaration on the allocation of an amount of up to 2% or 3% of paid personal income tax under Act No 595/2003 on income tax, as amended (the 'Act')" – V2Pv25_P.

5.
In brief

- An amendment to Act No 384/2025 on the registration of sales and amending certain acts, effective from 28 February 2026, postpones the obligation to enable cashless payments above EUR 1 from 1 March 2026 to 1 May 2026.
- The Ministry of Finance of the Slovak Republic has published Notice No MF/005715/2026-721 introducing a supplement to the instructions for completing the personal income tax return (type B) and the corporate income tax return. The notice is available under Entry 7 at this link. The supplements in both sets of instructions concern the application of section 30ca of the ITA, which governs the deduction of expenses (costs) for the support of sport and, in the case of corporate income tax, also section 52zzz of the ITA, which sets out the procedure for the payment of minimum tax for taxpayers that changed their tax period from a calendar year to a non-calendar financial year in the 2024 calendar year.
- Following official communication with the competent authority in Germany, the Financial Directorate of the Slovak Republic has issued information on the certification of forms issued by the German tax administration. The purpose of these forms is to enable taxpayers resident in the Slovak Republic to claim tax benefits in Germany in the same way as German residents, provided that the conditions laid down in German domestic tax legislation are met. Compliance with those conditions is assessed by the German tax authority. The information is available at this link.

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.