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working world



Legislative measures to improve the business environment approved by parliament

Tax measures

The National Council of the Slovak Republic has approved a Government Bill (“the Bill”) aimed at improving the business environment affected by measures implemented to prevent the spread of COVID-19. The package contains 114 measures from the Ministry of Economy, a so-called lex corona which also includes tax measures.

Income tax prepayments

In our last edition of [Tax and Legal News](#), we summarized the alternatives for income tax prepayments in 2020. The Bill has amended the rules for settlement of corporate income tax (CIT) prepayments after expiration of the deadline for filing a CIT return. If tax prepayments paid during the pandemic period are lower than those from the 2019 CIT return, the taxpayer is not obliged to settle the resulting difference. The taxpayer settles tax liability on submission of its 2020 CIT return.

This applies to income tax prepayments paid for the following tax periods:

- ▶ The calendar year from 1 January 2020
- ▶ A tax period after the change of the financial year end which began after 1 January 2020 (i.e., a change from the calendar year to a fiscal year)

- ▶ A fiscal year for which the filing deadline for submission of the CIT return expires during the pandemic period, or a fiscal year of which at least one month elapses between 1 January 2020 to 31 December 2020.

The pandemic period declared by the Slovak Government has not yet been rescinded and currently it is not clear when it will be terminated. We are closely monitoring the situation and will inform you of any changes.

Tax losses

The Bill specifies conditions for a one-time deduction of tax losses not utilized during 2015 to 2018, up to a maximum €1,000,000. The taxpayer is entitled to apply this one-time deduction for one tax period only, if there are multiple tax periods with filing deadlines due in 2020.

Fuel expenses

This change allows for an automatic increase in fuel costs by 20%, in addition to the official consumption stated in the car registration certificate, technical certificate or similar document from a car manufacturer or seller.

Taxpayers can continue to rely on consumption according to a document issued by an authorized organization if the actual fuel consumption does not coincide with that stated in the car registration certificate, technical

certificate or similar document or this information is missing.

Deadline for response to a tax audit protocol

The package also includes an extension to the minimum period for responding to a tax audit protocol, from 15 to 30 working days after delivery of the protocol.

If you have any questions, or require more detailed information, please do not hesitate to contact the author of the article or your EY contact person.

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