

Personal income tax

Taxable persons

Taxable persons for income tax (*dohodnina*) are residents and non-residents. Residents are liable to income tax on their worldwide income (i.e. income derived in Slovenia plus income derived abroad). Non-residents are liable to income tax on income derived in Slovenia.

An individual is a resident of Slovenia for the purposes of personal income tax if they have a formal residential tie with Slovenia (i.e. have a permanent residence in Slovenia, is a Slovenian public employee employed abroad or was a Slovenian resident but is currently employed in an EU institution) or has an actual residential tie with Slovenia (has a habitual abode or centre of personal and economic interests or is present for more than 183 days in a taxable year in Slovenia).

Tax base

Income is classified in six categories – income from employment, business income, income from basic agriculture and forestry, rental income, royalties, income from capital and other income.

Tax rates

All categories of income, except income from capital, rental income and income deriving from business, for which the tax base is determined using lump-sum deductions, are annually aggregated and taxed synthetically at the following progressive rates:

Tax schedule for 2023			
Tax base		Tax rate	
Over	To		
	€8,755	16%	
€8,755	€25,750	€1,400.8	+ 26% above €8,755
€25,750	€51,500	€5,819.5	+ 33% above €25,750
€51,500	€74,160	€14,317	+ 39% above €51,500
€74,160		€23,145.4	+ 45% above €74,160

Income from capital (interest, dividends and capital gains) and rental income are taxed at the following tax rates: interest – 25%; dividends – 25%; capital gains – 25% for a holding period of up to 5 years, 20% for a holding period from 5 to 10 years, 15% for a holding period from 10 to 15 years and an exemption for a holding period greater than 15 years; and rental income – 25%.

Unlike other types of income, tax paid on income from capital and rental income is final tax for residents and non-residents alike.

As an option and under certain conditions, personal business income may be taxed on a schedular basis (see Flat-rate tax).

Tax allowances

Allowances that reduce the aggregated tax base (deductions) for a resident taxpayer on an annual level include (for 2023):

- EUR 5,000.00 + $(18,761.40 - 1.17259 \times \text{total income})$ for residents with an active income up to EUR 16,000.00; and
- EUR 5,500.00 for residents with an active income of more than EUR 16,000.00.

Other allowances include personal allowances (disabled person's allowance, senior and volunteers' allowance, student allowance, employees under 29 allowance and independent artists, journalists and sportsmen allowances) and family allowances, granted to residents supporting their family members. A special deduction for voluntary additional pension insurance payments applies. The self-employed may claim additional allowances.

Flat-rate taxation

The flat-tax scheme (a simplified tax regime with lump-sum deductions) is available for entrepreneurs with an annual turnover of up to EUR 50,000 (EUR 100,000 if they are full-time self-employed or if they full-time employ at least one person for at least 9 months). The tax base for income from business is determined on the basis of a lump-sum deduction of taxable income (80% or 40% depending on conditions and income); but no tax allowances can be claimed. The income tax rate is 20%. The tax paid is considered final (schedular taxation).

Derivative instruments gains tax

The derivative instruments gains tax is regulated by the Derivative Instruments Gains Tax Act. The tax is payable by resident individuals (not independently performing a business activity) and is levied on the difference between the value of a derivative instrument upon disposal and its acquisition value. It is levied at degressive rates depending on the holding period, i.e. from 25% to an exemption where the holding period exceeds 20 years. Gains realised from short-term contracts are taxed at 40%.

Contractual work tax

Work performed under a contract is also regulated by the Personal Income Tax Act (where the taxable person is the contractor/work-performing party) as well as the Contractual Work Tax Act (where the taxable person is the employer/work-receiving party). The tax on work done under a contract applies to all legal persons and individuals performing a business activity and employing other persons under a contract for temporary work. The tax is levied on each gross payment made to individuals under a contract for temporary work. The taxable base also includes all refunds of expenses connected with the services performed.

Social security contributions

Both employers and employees pay compulsory social security contributions.

Fund	Employee (%)	Employer (%)
Pension insurance	15.50	8.85
Health insurance	6.36	7.09
Unemployment	0.14	0.06
Maternity leave	0.10	0.10
Total	22.10	16.10