

Value-added tax (VAT)

Tax on the turnover of goods and services is regulated by the Value Added Tax Act, which is fully harmonised with all provisions of the VAT Directives.

VAT is payable:

- on all taxable supplies of goods and services made by a taxable person in the course of their economic activity in Slovenia;
- on an intra-Community acquisition;
- on the import of goods.

Tax rates

Three VAT rates apply in Slovenia.

The standard VAT rate is 22% and relates to all supplies of goods and services not specified as being subject to the reduced rates or to exemptions.

The reduced rate is 9.5% and pertains to goods and services specifically defined by the VAT Act (foodstuffs; water supplies; medicines and personal medical appliances; passenger transport; admission to cultural and sporting events; the supply, construction, renovation and alteration of social housing; hotel accommodation etc.).

The special reduced rate is 5% and pertains to the supply, including library loan, of books, newspapers and periodicals.

In compliance with EU rules, several activities or transactions are exempt from VAT (e.g. certain activities in the public interest, certain financial transactions, insurance and reinsurance transactions, international transport of passengers except for international road transport, leasing and letting of immovable services, the supply of goods essential to VAT-exempt transactions, universal postal services).

Taxable persons

A taxable person is any person who independently carries out any economic activity, in any place, regardless of its economic outcome. A taxable person must apply for registration in the following cases:

- a domestic taxable person, if the value of their supplies over the last 12 months exceeds the threshold of EUR 50,000;
- a domestic or foreign taxable or non-taxable person who makes intra-Community acquisitions of goods if their total value exceeds the threshold of EUR 10,000;
- a foreign taxable person making supplies to Slovenia regardless of the transaction value (unless supplies are made only to taxable persons registered for VAT in Slovenia under general scheme);

- a foreign taxable person making distance supplies of goods or performing TBE services to final consumers, if the value of supplies exceeds the threshold of EUR 10,000 and they are not registered in the OOS system;
- any taxable person receiving services in Slovenia upon which VAT is payable by the recipient; and
- any taxable person supplying services to another taxable person from another member state for which VAT is payable by the recipient.

Small businesses may apply for voluntary registration, which should be valid for at least a 5-year period.

Charging and paying VAT

Depending on the location of the buyer and seller as well as the type of supply, the following rules apply:

- the buyer and seller are in Slovenia: the seller charges and pays VAT on supplies of goods and services;
- the buyer and seller are in different EU member states: the buyer charges and pays VAT on the acquisition of goods and for business-to-business supplies of services. For business-to-consumer supplies of services, the seller charges and pays VAT. Specific rules apply to certain services (e.g. intermediary services; services connected with immovable property; transport services; cultural, artistic, sporting, scientific, educational, entertainment or similar services; ancillary transport services; valuations of movable tangible property or work on such property; restaurant and catering services; the hiring of means of transport; and telecommunication, broadcasting and electronic services supplied to consumers);
- the buyer is in Slovenia and the seller is in a non-EU country: the customs administration charges VAT on the importing of goods whereby the buyer pays the VAT. Different rules apply to services (depending on the place of the provision and type of service; in most cases, the buyer pays the VAT, with the latter exercising it as input VAT); and
- the buyer is in a non-EU country and the seller is in Slovenia: the seller does not charge or pay VAT.

Appointment of a representative

A foreign person may authorise a Slovenian taxable person to perform obligations and exercise their rights on their behalf as regards the obligations and rights of a foreign person registered for VAT in Slovenia.

A tax representative may be any legal or natural person that is a resident of Slovenia and liable to VAT, except the subsidiaries of a foreign person.

The appointment of a tax representative is mandatory for foreign persons which do not have their registered seat in Slovenia or in any other EU member state. Certain exceptions apply (special non-union scheme for services, special scheme for international occasional road transport of passengers; concluded mutual assistance agreement).

VAT refunds to foreign taxable persons

A foreign taxable person is entitled to a refund of VAT paid in Slovenia if the following conditions are met:

- they are not established in Slovenia and have no permanent address or usual residence in Slovenia;
- they are not registered in Slovenia;
- they don't provide supplies of goods and services in Slovenia (except for transport and transport-related services subject to exemption and for supplies of goods and services, where the tax on the supply is payable by the person receiving the supply).

The minimum refund limits are:

- EUR 400 if the refund period is less than one calendar year but not less than three months (six months in case of taxable persons established outside the EU);
- EUR 50 if the refund period is one calendar year or the remaining portion of a calendar year.

The Ljubljana Financial Office is the competent tax authority for making VAT refunds to foreign taxable persons.

VAT refunds to taxable persons established in another EU member state

A taxable person established in another EU member state is entitled to a refund of those VAT amounts for which the taxable person established in Slovenia may exercise a right of deduction.

To be entitled to a refund of VAT in Slovenia, the taxable person must carry out transactions for which it holds the right to deduct VAT in the member state where they are established.

To obtain a VAT refund in Slovenia, the taxable person must submit an electronic refund application via the electronic portal set up by the member state that issued their VAT number (typically the member state in which they are established).

Refund applications must be submitted by 30 September of the calendar year following the refund period.

VAT refunds to taxable persons established outside the EU

VAT refunds to taxable persons established outside the EU are only granted according to conditions of reciprocity.

Taxable persons file their VAT refund claims in Slovenia via the eDavki electronic portal by using the form DDV-VTD. Before filing a claim, an applicant must obtain a tax number and a qualified digital certificate to access the Financial Administration's electronic eDavki system. Alternatively, taxable persons may authorise another person to file a VAT refund claim through the eDavki portal and to represent them in the refund procedure.

A refund application must be submitted to the competent tax authority by 30 June of the calendar year following the refund period.

Rules regarding e-commerce

Rules on the VAT for cross-border B2C e-commerce activities were introduced on 1 July 2021. The transactions covered by the new rules are distance sales of goods within the EU by suppliers or deemed suppliers (online marketplaces/platforms facilitating supplies); domestic sales of goods by deemed suppliers; supplies of services by EU and non-EU sellers to consumers within the EU (cross-border B2C services); and distance sales of goods imported from third territories or third countries carried out by suppliers and deemed suppliers, except for goods subject to excise duties.

Some administrative simplifications were introduced. The existing thresholds for distance sales of goods within the EU were abolished and replaced by a new EU-wide threshold of EUR 10,000. The new threshold covers distance supplies of goods within the EU and TBE services performed to final consumers. If suppliers exceed the threshold, they are able to pay the VAT to the country of destination through their regular VAT identification, or through the one-stop-shop (OSS) system.

Another novelty is the introduction of the Import one-stop shop (IOSS) for the declaration and payment of VAT on distance sales of low value goods imported from outside of the EU. The import-VAT exemption for consignments valued at up to EUR 22 is abolished.

One stop shop system

Three special schemes have been introduced to allow taxable persons to declare and pay VAT due in Member States in which they are not established, via a web-portal located in the Member State in which they are identified:

- the non-Union OSS scheme, which covers supplies of all types of cross-border services provided by taxable persons not established in the EU to final consumers in the EU;
- the Union OSS scheme, which covers all types of business to customer (B2C), supplies of services as well as intra-EU distance sales of goods, and certain domestic supplies facilitated by electronic interfaces;
- the IOSS scheme, which covers distance sales of goods imported from third territories or third countries to customers in the EU up to a value of EUR 150.

The OSS simplifies VAT obligations for businesses selling goods and supplying services to final consumers throughout the EU, allowing them to:

- register for VAT electronically in one single Member State for all the eligible sales of goods and services to customers located in the other Member States;
- declare the VAT due on all these sales of goods and services in a single electronic VAT OSS return and make a single payment of the declared VAT;
- work with the tax administration of the Member State in which they are registered for the OSS, and in one language, even though their sales are EU-wide.

The IOSS enables B2C distance selling suppliers of goods of up to EUR 150 delivered directly to customers from a third country to charge the VAT of the destination country. In this case, the good is exempt from import VAT.