

**FASTER**  
**ICT – Financial and Accounting Seminars Targeting  
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**WP3**  
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**Module 4**

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# Module 4: Tax Accounting

## Value Added Tax (Act No. 222/2004 Coll.)

### **Subject of Value Added Tax are:**

- a) supply of goods for consideration within the territory of the country effected by a taxable person,
- b) provision of a service for consideration within the territory of the country effected by a taxable person,
- c) acquisition of goods for consideration within the territory of the country from another Member State of the EU,
- d) importation of goods into the territory of the country

**Taxable Person:** any person who independently carries out any economic activity

# Value Added Tax (Act No. 222/2004 Coll.)

## Registration Obligation

- taxable person who achieved a turnover of EUR 49,790 for not more than 12 preceding consecutive calendar months, shall be obliged to file a tax registration application with a tax office
- file the tax registration application within the 20th day of a calendar month following the month in which he achieved the turnover

# Value Added Tax: Taxable Transactions

- a) the transfer of the right to dispose of tangible property as its owner, as well as electricity, gas, water, heat, refrigeration and similar intangibles,
- b) the supply of a structure or its part under a contract for work,
- c) the delivery of goods based on a lease agreement under which ownership title to the subject-matter of the lease agreement is acquired, at the latest, upon the payment of the last instalment

# Value Added Tax: Supply of Service

Supply of service shall be any performance, which is not supply of goods, including:

- a) transfer of the right to intangible property, including the provision of a right to industrial or another intellectual property,
- b) the provision of a right to use tangible property,
- c) the assumption of an obligation to refrain from an act or to tolerate an act or situation,
- d) a service supplied on the basis of an authorisation or decision issued by a government authority or in pursuance of the law.

# Value Added Tax

## **Acquisition of goods in the territory of the country from another member state**

- acquisition of goods within the territory of the country from another Member State shall mean the acquisition of the right to dispose as owner of movable tangible property into the territory of the country from another Member State

# Value Added Tax

## Importation of Goods

- means the entry of goods into the territory of the European Union from the territory of third countries.
- place of importation of goods shall be a Member State within whose territory the goods are situated at the time of their entry into the territory of the European Union



# Value Added Tax: Tax Rates and Tax Exemptions

- **Tax Rates:** standard tax rate (goods & services): 19 %, reduced tax rate 10 % of the taxable amount
- **Tax Exemptions:**
  - Universal postal services
  - Health Care
  - Social Assistance Services
  - Training and Educational Services

# Value Added Tax: Tax Rates and Tax Exemptions

- **Tax Exemptions:**
  - Services Supplied to Members
  - Services Linked to Sport or Physical Education
  - Cultural Services
  - Fund Raising
  - Services of Public Television and Radio Bodies
  - Insurance Services

# Value Added Tax: Tax Rates and Tax Exemptions

- **Tax Exemptions:**
  - Supply and Leasing of Immovable Property
  - Financial Services
  - Sale of Stamped Stationery and Fiscal Stamps
  - Operation of Lotteries and Other Similar Games
  - Tax Exemption in Respect of Supply of Goods from the Country to Another Member State

# Value Added Tax: Tax Rates and Tax Exemptions

- **Tax Exemptions:**

- Tax Exemption in Respect of Acquisition of Goods in the Country from another Member State
- Tax Exemption in Respect of Trilateral Transactions
- Tax Exemption in Respect of Export of Goods and Services

# Value Added Tax: Tax Period and Tax Return

## Tax Period

- tax period for a taxpayer shall be a calendar month
- if a taxpayer reaches a turnover of less than EUR 331,939.19 in the previous calendar year, the tax period shall be a calendar quarter

## Tax Return and Tax Due Date

- within 25 days of the end of a tax period, a taxpayer shall be obliged to file a tax return, and to pay the due tax within the same time limit

## INCOME TAX (Act No. 595/2003 Coll.)

The Act on Income Tax regulates:

- a) personal and corporate income tax,
- b) way of payment and collection of the tax.

Any international treaties, shall prevail over the Act of Income Tax.

# INCOME TAX

- for the purpose of the Act on Income Tax:
  - a) the term "taxable party" shall mean individuals or legal entities,
  - b) the term "subject of the tax" shall mean any income (proceeds) from the activities of the taxable party, and any income (proceeds) from the disposal of the property owned by the taxable party, other than the subject of the tax, ,
  - c) the term "income" shall mean income both in cash and in kind (even if obtained through an exchange),

# INCOME TAX

- for the purpose of the Act on Income Tax:
  - d) the term "taxable party with unlimited tax liability" shall mean:
    1. any individual that is has a permanent residence in the territory of the Slovak Republic, or who usually stays in the territory of the Slovak Republic.
    2. any legal entity, which has its registered office or its place of actual management in the territory of the Slovak Republic.



# PERSONAL INCOME TAX

## Subject of the tax

- a) income from dependent activity,
- b) income from business, other independent gainful activity, and lease),
- c) income derived from capital,
- d) sundry income.

## Income Exempt from Tax

- income from the sale of an apartment or a house including the adjoining land, owned by the seller for more than five years preceding the sale,
- income from the sale of real estate and movable assets released to beneficiaries pursuant to special legislation, which was received by such beneficiaries,
- allowances, benefits and services under the public health-care insurance, individual health care insurance, social insurance, sickness insurance and casualty insurance, benefits from old-age pension savings schemes
- scholarships granted out of the State budget

## Tax Allowances

- the yearly tax allowance for the taxable party shall be an amount corresponding to 19,2 times the applicable subsistence minimum

# CORPORATE INCOME TAX

## Subject of the tax

- a) a mutual funds management company,
  - b) a supplementary pension management company,
  - c) pension management company.
- taxable parties, which have not been established to conduct business, the subject of the tax shall be restricted to income earned from activities, which do or may generate profit, including any proceeds from the sale of assets, from lease, from advertisement, from membership fees

## Exemptions from Tax

- income of municipalities and regions from lease and sale of their assets;
- income of State funds, income of the Investment Guarantee Fund, and income of the Deposits Protection Fund,
- proceeds from the sale of property included in the bankruptcy estate, or restructuring procedures
- income from collections in churches and religious societies; etc.

# Income Tax

## Tax Base

- determined as difference between returns and costs, corrected by deductible and non-deductable items, according to the Act on Income Tax.

**Tax Rate:** shall achieve 19% of the tax base:

- a) determined for the purpose of personal income tax, less any tax losses and tax allowances;
- b) determined for the purpose of corporate income tax, less any tax losses.

## LOCAL TAXES (Act 582/2004 Coll.)

- covered by the Act local taxes and on local fees for municipal waste and minor construction waste (Act 582/2004 Coll.).

## Types of local taxes

- a) real estate tax, including:
- land tax,
  - tax on buildings,
  - tax on apartments and non-residential premises within apartment buildings.
- b) dog tax,
- c) tax on the use of public areas,
- d) accommodation tax,
- e) tax on vending machines,



## Types of local taxes

- f) tax on non-winning gaming machines,
- g) tax on the entry and stay of motor vehicles in historical parts of towns,
- h) nuclear facility tax.
- tax on motor vehicles is a local tax which may be imposed by higher territorial units

## Tax administration

- real estate tax under is administered by the municipality in the territory of which the real estate is located
- motor vehicle tax is administered by a tax office with territorial jurisdiction
- municipalities and higher territorial units may introduce local taxes based on the generally binding regulation and those local taxes belong to facultative taxes (they become obligatory after application of generally binding regulation)

Thank you for attention