

the most important news on one page

Changes in employee meal allowances, two-way electronic communication with the tax authority - changes which result from the amendment to the Tax Administration Act and the amendment to the Income Tax Act.

Change in the taxation of meal allowances

Changes in employee's meal allowances effective from 1 January 2022 according to the amended Art. 5 sec. 7 letter b) of the Act no. 595/2003 Coll. on Income Tax introduce equal tax exemption from personal income tax of the following:

- employer's contribution to meal,
 - employer's contribution to the meal voucher,
 - financial allowance for meals,
- up to 55% of the amount of the meal allowance provided for a business trip lasting 5 to 12 hours under the Travel Allowances Act (which is currently € 5.10), i.e., the tax exemption will be up to € 2.81.

In other words, the current tax benefit of the employer's contribution to meal or meal voucher, without upper limit, ends on 31 December 2021 and from 1 January 2022 only the amount provided in accordance with § 152 of the Labor Code will be exempt, i.e., up to € 2.81.

The employer is still obliged to provide the financial contribution to the employee in advance, as in the case of meal voucher.

This amendment will increase the employer's cost and the employee will have a smaller net financial contribution if the employer contributes in excess of the legal obligations (€ 2.81).

Example: with financial contribution claim for 6 € for 20 days, the employee would receive 120, - net. From 2022, net FC will be lower by € 19.04 (€ 3.19 * 20 = € 63.80 will be subject to insurance and tax).

The change concerns also self-employed persons

Taxpayer with income according to Art. 6 sec. 1 and 2 of the Income Tax Act, which applies proven tax expenditures in tax records or bookkeeping, will no longer have to prove the amount of the meal allowance by the invoice or cash receipt.

The amount of the expense, which will be claimable without documentation in tax expenses after the amendment, will also change. Expenditure will be reduced to 55% of the value of the meal allowance for the first time zone for each day worked in the calendar year. Currently it will amount to € 2.81 (55% out of € 5.10).

Two-way electronic communication

The Financial Administration of the Slovak Republic announced that from 1 January 2022 it plans to introduce two-way electronic communication with all entities that communicate with them electronically. Till now, this has only been the case in customs and excise duties. However, from 1 January 2022, communication from the financial administration will not be via the financial administration portal, but via the Central Public Administration Portal (slovensko.sk) in accordance with the e-Government Act. Pursuant to this Act, the financial administration, as a public authority, is obliged to deliver a decision, application, notification or other document to the taxpayer in the abovementioned way. However, for this communication having activated electronic mailbox for delivery on the portal slovensko.sk is necessary. For legal entities that are registered in the Commercial Register, the electronic mailbox is automatically activated by law upon its establishment. In the case of the individuals, the e-mail box is activated on request. Taxpayers will be able to set up notifications by e-mail or SMS.

The financial administration will apply the fiction of delivery in the electronic delivery of documents in the regime "into recipient's own hands", i.e., the electronic document will be considered delivered if the addressee confirms the delivery notification (day, hour, minute and second of delivery is indicated on the electronic delivery note), but also if the storage period (15 days) expires without confirmation of delivery notification.

According to the Financial Administration, the main benefit of two-way communication will be to streamline and speed up mutual communication between the FA and its clients, making the Slovak FA one of the modern institutions within the EU. The introduction of two-way communication is expected to reduce operating financial costs, but also to positively impact the environment through an order of much smaller number of printed paper documents.

Registration changes

When registering for VAT purposes, the issuance of a registration certificate is replaced by the issuance of a registration decision. Appeal against this decision granting or not granting the registration will not be possible.

VAT payers and taxable persons who have already been provided with registration certificates are obliged to return these certificates within 10 days from the day when they cease to be the VAT payers.

Amendment to the Accounting Act

The accounting document from 1.1.2022 will not have to contain the account numbers on which the accounting case is posted and the signature record of the person responsible for accounting. The amendment narrows the range of entities that will be subject to statutory audit due to the increase in size criteria.

The transformation of accounting documents from paper to electronic will be simplified. Also the archiving of accounting documents will be simplified and the public part of the register of financial statements will be expanded.

If you have any questions please contact us.

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