

## Changes in the taxation of meal allowances and travel allowances. Implementation of the E-invoice system and the DAC 7 Directive.

### Change in the tax reliability index

As of 1 January 2022, the tax reliability index has been adjusted - the assessment of a tax entity on the basis of the tax compliance and its economic indicator. Legal persons and individuals who have been registered for income tax for at least 2 years are evaluated. Points are awarded for tax violations, taking into account the seriousness and duration. Based on the number of points achieved, the taxpayer is assigned a reliability index, namely:

- highly reliable - up to 10 points inclusive
- reliable - over 10, under 25 points
- unreliable - from 25 points
- not evaluated (if it does not meet the conditions for evaluation)

The reliability index gives the taxpayer various benefits, e.g. payment of half compensation for issuing a binding opinion, setting a deadline of at least 15 days in the appeal in connection with the tax audit, approving the application for payment of corporate income tax advances otherwise.

The notification of the assigned index level will be sent by the FS SR by the end of June 2022 and it will also be published on the FS SR website by the end of September 2022.

### Change in meal allowances

From 1 May 2022, the Ministry of Labor, Social Affairs and Family of the Slovak Republic determined the amounts of meal allowances for time zones as follow:

- 5 to 12 hours for EUR 6,
- 12 to 18 hours for EUR 9,
- over 18 hours at EUR 13.70.

The abovementioned amounts are the basis for the determination of the employee's entitlement to meals on a business trip in the country, as well as the employer's contribution to the meals of

employees in the case of a financial contribution or the meal tickets.

The tax-exempt value of the meal allowance will be increased to EUR 3.30 and the minimum value of meal vouchers will be increased to EUR 4.50.

### Changes in the law on travel allowances

From 1 May 2022, the Ministry of Labor, Social Affairs and Family of the Slovak Republic determined the amounts of the basic compensation for the use of road motor vehicles on business trips for each 1 km of driving for:

- single-track vehicles and tricycles at EUR 0.059,
- passenger road motor vehicles at EUR 0.213.

Changes are valid from 1 May 2022.

### Change in confirmation of temporary incapacity for work

With effect from 1 June 2022, the doctor will be able to confirm temporary incapacity for work (PN) in electronic form. This will significantly reduce the administrative burden on policyholders, healthcare providers, employers as well as the Social Insurance Agency (SIA).

The National Center for Health Information will ensure the transfer of PN data from the attending physician to the information system of the Social Insurance Agency and, in the case of an employee, this PN data will be automatically sent to the employer. The policyholder will be informed about the status of the proceedings via SMS notifications or via the policyholder's individual account in the SIA. The transitional period in which both paper and electronic (or) will apply will be until the end of May 2023.

### Notification obligations for digital platform operators - DAC7

The DAC7 Directive introduces new reporting obligations for operators of digital platforms,

which enable the performance of selected activities in the territory of the Slovak Republic, towards financial administration, and subsequently the scope of automatic exchange of information between the tax authorities of the Member States is extended.

Platform operators will be required to collect, report and verify selected information on vendors and service providers using digital platforms to conduct their business activities. The selected activities include, in particular, real estate rental, personal services and the sale of goods.

Member States have until the end of 2022 to transpose the new rules into national law, therefore the first notification period will be 2023.

### E-invoice - sending data from invoices in real time

The Ministry of Finance is preparing a law on the transmission of invoice data to the financial administration in real time, with the introduction of a 12-month implementation period in 2023. The first data should therefore be sent from 1 January 2024. For small businesses, the state wants to prepare a free Virtual Invoice application that will make it easier for them to meet their obligations.

The process should work as follows:

- During the invoicing, the data from the invoice will be sent to the financial authorities.
- The financial authority assigns an identifier after verifying the invoice. This identifier will be a mandatory requirement and must be stated in the invoice.
- After approving the invoice data and assigning an identifier, the supplier can send the invoice to the customer.
- The customer then marks the received invoice for VAT deduction or for inclusion of the invoice in tax expenses.

After implementation, it is planned to cancel the Transaction List and to launch pre-completion of tax returns.

If you have any questions, do not hesitate to contact us.