



# Daňovky

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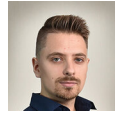
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# Parliament approves the third package of consolidation measures

On September 24, 2025, National Council approved the third consolidation of public finances in an accelerated legislative procedure. We bring you an overview of the key changes in the tax area. The above-mentioned law is still subject to the President's signature.



**Zuzana Blažejová**  
zblazejova@kpmg.sk  
+421 905 740 000



**Ľuboš Kmeť**  
kpmg@kpmg.sk  
+421 259 984 111



**Klára Šajbenová**  
kpmg@kpmg.sk  
+421 259 984 111

## What is changing from 2026?

### 1. Increase in the progressivity of the personal income tax

**New** progressive personal income **tax rates** of **30 %** and **35 %** are introduced, depending on certain multiples of the subsistence minimum.

The four personal income tax rates for 2026 will be as follows:

- Up to a tax base of EUR 43 983,32: the rate will remain at **19 %** (corresponding to a monthly gross salary of up to EUR 4,282)
- Above EUR 43 983,32: **25 %** rate (monthly gross salary from EUR 4,282 to EUR 5,875)
- Above EUR 60 349,21: rate of **30 %** (monthly gross salary from EUR 5 875 to EUR 7 302)
- Above EUR 75 010, 32: rate of **35 %** (monthly gross salary above EUR 7 302)

A special regime will apply to constitutional officials and MPs, whose tax rates will be increased from **5 % to 10 %**.

The higher rate applies only to the part of the tax base that exceeds the threshold, not to the entire tax base. Each band of the tax base is therefore taxed separately at the appropriate rate.

### 2. New tax band for the largest companies

The new corporate minimum tax band should only affect **companies with taxable income above EUR 5 million**. From the current EUR 3,840, the tax licence will increase to EUR 11,520.

### 3. Increase in the special levy rate for collective investment

This measure applies to investment companies, management companies as well as pension management companies (DSS) and supplementary pension companies (DDS). The basic rate of the **special levy** for these companies is significantly increased from the previous **4.36 % to 15 %**.

### 4. Changes for self-employed persons - Higher assessment base and increase in health levies

As of the new year, the minimum **assessment base for the payment of contributions increases** from the current **50 % to 60 %** of the **average wage** two years ago. This change means that self-employed persons will have to pay higher

minimum contributions to social and health insurance companies.

Another change, which will be effective from 2026, is an **increase in the health levy by 1 %**. The higher rate will apply not only to the self-employed but also to employees and self-payers.

These changes will thus affect a wide range of workers, with the most significant impact on the self-employed, who until now have paid contributions on a lower base.

There has also been a change in the area of levy holidays for the self-employed. Whereas previously newly established self-employed persons **did not have to pay** social contributions for the **first 12 months** of their business, this period would now be **reduced to 6 months**.

The obligation to pay social contributions would start on the **first day of the sixth calendar month** after the establishment of the business. The aim of this amendment is to reduce the incentive to set up trades on purpose and to avoid paying social security contributions. From the sixth month of establishment, the minimum social contributions of EUR 131.34 (corresponding to an assessment base of 26 % of the average wage) will be compulsory.

### **5. Changes to income tax during sick leave, maternity leave and sick pay**

Currently, no insurance contributions are payable on remuneration received by an employee during sick leave, maternity leave or nursing leave. The procedure for paying insurance contributions is **to be aligned with the taxation of income**. This means that remuneration paid during sick leave, maternity leave or nursing leave will be subject to insurance premiums in the same way as other income. The aim of this change is to make the system fairer and to reduce the scope for purposeful optimisation of levies.

### **6. Increased VAT on selected foodstuffs and introduction of reimbursement from primary materials**

Foodstuffs with **increased sugar and salt content** will be subject to VAT at **23 %** instead of the current **19 %**. These include:

- sweets such as chocolate, candy, biscuits or candied fruit;
- ice cream;
- jams;
- sweetened soft drinks such as syrups, raspberry syrups or energy drinks;
- savoury items such as crisps or bars.

The VAT increase **will not apply** to sugar and salt alone, baby food, children's meals, dairy drinks, yoghurt, 100 % sugar-free juices and special foods for diabetics.

A **new reimbursement** for companies **extracting primary materials** has also been introduced. Companies extracting gravel, sand, stone or crushed rock must prepare for a new reimbursement of **EUR 1.35** per tonne extracted.

### **7. Increased taxation of gambling and non-life insurance**

From 2026, the levy for online gaming will increase from 27 % to 30 %, as well as higher taxation on brick-and-mortar establishments, with casinos taxed at a higher rate than the current 14.3 % and gambling establishments at a higher rate than the current 16.9 %.

In addition, the insurance tax on non-life insurance has also been increased **from 8 % to 10 %**.

### **8. General tax pardon**

From January 1, 2026 to June 30, 2026, **taxpayers should be able to pay their tax arrears** or additionally declare tax through their tax return **without being assessed a penalty or penalty interest** for late payment or failure to declare tax against the tax and customs authorities.

The measure should apply to the following taxes:

- Income tax,
- value added tax (VAT),

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- excise duties,
- motor vehicle tax,
- insurance tax.

On the contrary, it should not apply:

- advance tax payments,
- tax instalments,
- special levy on business in regulated sectors,
- solidarity contribution,
- local taxes and charges.

## **9. Limitation of VAT deduction for cars**

From 2026, the rules for **deducting VAT on company cars** will also change. It will now only be possible to deduct **50 %** of VAT if the vehicle is used also for non-business purposes. This restriction applies not only to the purchase of the car itself, but also to all costs associated with its operation - maintenance, servicing, fuel, repairs or spare parts. For more information on the limitation of VAT deduction for cars, see our previous articles: [Reduction of VAT deduction for passenger cars from 2026 a reality | KPMG Slovensko](#) [Ministry of Finance plans to decrease the right for input VAT deduction on motor vehicles to half | KPMG Slovensko](#)

# Reduction of VAT deduction for passenger cars from 2026 a reality

From 2026, entrepreneurs and companies will be obliged to choose between keeping accurate electronic logbooks or increasing the cost of running their cars by non-recoverable input VAT in the amount of 50 %.



## Tax and Legal Department

kpmg@kpmg.sk  
+421 259 984 111

## Halving the VAT deduction and its exemptions

As we informed you [in a previous article](#), the right to deduct VAT on motor vehicles by half when buying or using M1, L1e and L3e passenger cars (i.e. ordinary passenger cars and some motorcycles) is reduced to **50%**. This limitation will apply to all vehicles acquired or used from **January 1, 2026 to June 30, 2028**, covering not **only the purchase itself but also the rental** (except short-term) and the **purchase of goods and services** related to the operation of these vehicles.

The exceptions to this rule are quite narrow. Full VAT deduction will only be maintained **for those vehicles** which are used **exclusively for business in specific areas**, e.g:

- short-term rentals,
- in leasing companies,
- taxi services,
- driving schools (if a training vehicle), or
- if it is a demonstration, test or replacement vehicle provided to a customer during a repair.

Another option to retain the full deduction is to **show that the vehicle is used exclusively for business** and keep detailed **electronic records** of this.

## Obligations and record-keeping for businesses

If a VAT payer wants to claim a **full deduction** for a private motor vehicle, he must keep **electronic records for each vehicle separately**. These records must contain detailed information:

- VIN number, registration number (number plate), type of vehicle,
- the number of kilometres at the beginning and end of the tax period,
- an accurate record of each journey (date, time, purpose, driver's name, kilometres driven, places where the journey started and ended); and
- a summary of all goods and services related to the operation of the vehicle.

The entrepreneur must make the records electronically available to the tax authorities on request. In countries where such records are already compulsory, discrepancies often occur between the logbook and fueling, toll gates, parking fees and business travel expenses. Where there are discrepancies, the tax authorities may declare the records unreliable and require a full refund of the VAT claimed (purchase, servicing, fuel) and impose a penalty.

The use of a vehicle **solely for business purposes must be reported to the tax office** on the prescribed form within

the time limit for filing the tax return for the period in which the deduction was claimed.

The introduction of these rules means a significant reduction in the ability of most businesses to deduct VAT on the purchase and operation of cars. It also increases the administrative burden for those wishing to claim the full deduction - without detailed electronic records and timely notification to the tax office, this will not be possible.

The ministry's proposal was approved by the Parliament as a part of the consolidation package, and is subject to the president's signature.

# The Slovak government has approved amendments to the VAT Act that change the invoicing rules in Slovakia

The amendment to the VAT Act introduces, from January 1, 2027, the obligation of electronic invoicing for domestic transactions, initially for VAT payers established in Slovakia. Data on the supply of goods and services will be sent digitally to the tax authorities in real time.



**Elvíra Ungerová**  
eungerova@kpmg.sk  
+421 915 758 807



**Juliána Rozman**  
kpmg@kpmg.sk  
+421 259 984 111

On September 24, 2025, the Slovak government approved a [draft amendment to the VAT Act](#), which is expected to bring, among other things, the following changes in the coming years:

## Strengthening the Powers of Financial Administration

**From 2026, the tax authorities** will be able, ex officio, to **register two or more formally independent taxable persons as a group - a single VAT payer**. This can be applied to entities whose formal independence serves to **circumvent VAT payment** or **to gain advantages from not accounting for VAT** within their business activities.

**From 2027**, the application of a **special method of VAT payment** (“split payment”) is to be expanded so that, for selected transactions where there is reasonable suspicion that the supplier will not pay the VAT, the tax authorities may impose an obligation on the customer to **pay the VAT from the invoice directly to the tax authority's account** held for the supplier.

## Mandatory electronic invoicing and data reporting

Mandatory electronic invoicing is introduced, along with the obligation for VAT payers to digitally report data on the supply of goods or services to the financial administration in real time.

- **Effective from January 1, 2027, VAT payers established in Slovakia will be required to issue and receive electronic invoices in a defined format** for domestic supplies of goods and services. The sending and receipt of invoices must be carried out through a delivery service provided by a certified provider. Anyone to whom such an electronic invoice is addressed will be required to receive it via the delivery service. **Invoice data will be automatically sent to the financial administration.**
- **Effective from July 1, 2030, the obligation to issue and receive electronic invoices will be extended to all taxable persons** also for cross-border supplies of goods and services. This is an amendment to the Slovak legislation in line with the **new EU VAT rules introduced** by the “VAT in the Digital Age” (ViDA) package. Data on cross-border supplies will be collected at the EU level. The aim is to facilitate information exchange and fraud detection. Due to the mandatory digital data reporting, the **obligation to submit EU Sales Lists and VAT Ledger Statements will be abolished.**

In connection with the introduction of mandatory electronic invoicing, **legislative and technical amendments are also**

**made to the Accounting Act.** To increase the efficiency of tax administration, additions and amendments to the Tax Procedure Code are being proposed. Changes will also **affect the Act on Guaranteed Electronic Invoicing** and the **Public Procurement Act**.

The government's draft amendment was submitted to parliament on September 26, 2025. We will keep you informed about further developments in the legislative process.

# Transparency in pay: Fair pay or discrimination

Stricter rules against the gender pay gap, based on the European Equal Pay Directive, should apply from June 2026. The new legislation brings challenges for HR managers and employers, who will face new obligations.



**Milina Schifferdeckerová**  
mschifferdeckerova@kpmg.sk  
+421 907 745 045

The Ministry of Labour, Social Affairs and Family of the Slovak Republic has submitted for inter-ministerial comment a [draft new law](#) on transparency in pay, which aims to strengthen the principle of equal pay for men and women for equal work or work of equal value. Equality in remuneration was also enshrined in the Constitution of the Slovak Republic by its latest amendment on September 26, 2025.

## Key changes for employers

### 1. Obligation to disclose remuneration ranges in job offers

Companies will already have to disclose the remuneration range when advertising jobs. This is to ensure that applicants have access to information about the actual average pay of colleagues in the same role. At the same time, the published job offer must be formulated in a gender-neutral way.

### 2. Prohibition on ascertaining the applicant's previous income

Employers will not be able to ask applicants for information about their previous salary. This step is intended to prevent historical pay inequalities from spilling over into new employment relationships.

### 3. Obligation to report pay gaps to the Ministry of Labour

- Firms with more than 250 employees: annual reports, **first by 7 June 2027**
- Firms with 150-249 employees: every **3 years**
- Firms with 100-149 employees: every **4 years**

These reports will serve as a tool for monitoring and evaluating equal pay.

### 4. Extending the right to compensation and shifting the burden of proof

The injured party will have the right to seek compensation within three years of the breach of the equal pay principle. The burden of proof **shifts to the employer**, which means that the employer will have to prove that discrimination did not take place.

## Risks for companies - allegations of gender inequality

This is a significant change that will require a **review of internal HR processes, pay structures and communication strategies**. The proposed legislative changes may contribute to eliminating gender pay inequalities. However, their real benefit will depend on the final wording of the measures taken to avoid the risk of lawsuits from lower-performing employees who might misinterpret lower pay as gender discrimination.

We recommend you start with a pay audit, setting internal equality metrics and preparing for the new reporting obligations. We are happy to help you implement these changes so that you are not only legislatively but also strategically ready. If you would like a consultation or training on the proposed changes, please do not hesitate to contact us.

# Czech Republic Approved Changes to the Minimum Tax Act

The Czech Republic has approved and published in the Collection of Laws amendments to the Minimum Tax Act, introducing the EU Minimum Tax Directive for large multinational companies. The amendment began to apply the day after its publication, with retroactive effect for tax periods starting from December 31, 2023.



**Zuzana Blažejová**  
zblazejova@kpmg.sk  
+421 905 740 000



**Miriam Barňaková**  
kpmg@kpmg.sk  
+421 259 984 111

The key change is the extension of the deadline for submitting the so-called GloBE Information Return (GIR) to **15 months after the end of the accounting period** (for the transitional year up to **18 months**, i.e., by June 30, 2026 for the 2024 year). The same deadline applies for notifications if the return is filed in another country where the group operates. The tax return and payment of the tax must now be made no later than **22 months after the end of the accounting period**, i.e., by **October 31, 2026**.

The Ministry of Finance of the Czech Republic has also prepared **new electronic forms** for submitting these returns and filings, which must be submitted exclusively electronically in XML format.

These changes are intended to ensure that large companies pay a minimum effective tax in the EU, regardless of where they operate.

# One sentence summary | September 2025

Last month's tax and legal news in brief.



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kpmg@kpmg.sk  
+421 259 984 111

- The Parliament approved an **amendment to the Financial Transaction Tax Act** on September 30, 2025. Based on this amendment, as of **January 1, 2026**, sole traders and other self-employed individuals **will be exempt from the obligation to pay this tax**.
- The Tax Directorate of the Slovak Republic has published [information on the financial transaction tax for foreign legal entities](#). A foreign company that does business in Slovakia and **does not conduct** financial transactions through a Slovak payment service provider becomes **subject to this tax** and is **required to file** a "Financial Transaction Tax Notice". A specimen of the notification can be found [on the website](#) of the Financial Administration.
- From **January 1, 2026**, the minimum wage in Slovakia will increase to **EUR 915** per month, the largest year-on-year increase to date. This amount will be calculated automatically as **60% of the average wage** and will be **accompanied by an increase** in night and weekend allowances.
- The government has approved a new version of [the law on revenue registration](#), which modernises and simplifies the system through eKasa cash registers, introducing the **obligation to accept non-cash payments** for sales above **EUR 1**, with exceptions for technical problems. The law also defines **new types of cash registers** and regulates the **obligations of sellers** when recording sales. The proposed entry into force is from **January 1, 2026**.
- The Financial Administration has issued a [methodological instruction](#) on the **registration of value added tax payers**. This instruction deals with the rules and conditions for **registration of taxable persons**, including voluntary registration, and **sets out the procedures** for applying for registration. The changes include adjustments to the tracking of turnover and additional **conditions for the registration of foreign persons**.
- A **new insolvency register** is launched on **October 1, 2025**, which brings significant changes in the field of insolvency and restructuring. The new system will streamline insolvency processes by removing some administrative obligations and application uncertainties. **The submission of restructuring plans** through a **dedicated portal** will be modernised, which will **simplify access to data** on insolvency proceedings. More information can be found [in the previous article](#).
- Malta has introduced a **new final tax regime** allowing companies **to pay income tax at 15%** instead of the standard rate, which is **final and no refunds or credits can be claimed**. Companies opting for this regime must **apply and pay this tax for a minimum of 5 years**. The new tax does not apply to income already subject to other final tax rates and is mainly intended for companies that have been uncomfortable with the current tax refund system. More information can be found [at this link](#).

# Possibility of recovering the entire withholding tax paid in Poland for investment funds

Foreign investment funds can reclaim withholding tax paid in Poland - up to 5 years retroactively. The European Court of Justice ruled that Polish law favored only externally managed funds, thereby violating the principle of free movement of capital. The ruling offers these funds the opportunity to retroactively apply for tax exemptions on dividends, interest, or capital gains.



**Zuzana Blažejová**

zblazejova@kpmg.sk  
+421 905 740 000

Withholding tax, which is levied on income generated within Poland, such as interest from **Polish government bonds and dividends**, may be subject to refunds for certain foreign investment funds. Polish tax law allows exemptions from withholding tax for **open funds** (UCITS) and **other types of funds** that are not UCITS and are domiciled in an EU or EEA jurisdiction. The European Court of Justice's ruling extended this possibility to **internally managed funds**, removing the restriction to only externally managed funds.

Funds can reclaim withholding tax for payments made up to **5 years ago**, representing a significant opportunity to improve financial performance and maximize profits from Polish investments.

## What does this mean in practice?

If you are a manager of an investment fund with investments in Poland, we recommend checking the possibility of reclaiming paid withholding tax. Our team has practical experience in reclaiming withholding taxes from Poland and other EU countries. We are happy to help assess whether the ruling applies to your fund and, in collaboration with colleagues from KPMG Poland, process the tax refund application.

# Extension of income subject to corporation tax for German and foreign investment funds

The new regulation in Germany expands the list of income subject to corporate income tax, which will affect investment funds with shares in companies with real estate assets.



**Zuzana Blažejová**

zblazejova@kpmg.sk  
+421 905 740 000

As of March 27, 2024 (Federal Law Gazette 2024 I No. 108) a new law expanded the list of so called “other domestic income” subject to corporation tax in Germany.

## What Changes?

Investment funds must subject capital gains from German, but also foreign corporations whose share value is predominantly based on German immovable assets - so-called German real estate corporations or German property-rich companies - to corporation tax if the following conditions are met:

- the fund has directly or indirectly held at least **1 %** of the capital of the corporation within the last five years
- at some point during the **365 days** prior to the sale, more than **50 %** of the share value of the corporation was directly or indirectly based on domestic immovable assets and
- at this time, the Fund was the beneficial owner of the shares in this corporation

The active assets of the business assets are to be used at book value to determine the real estate quota. The regulation applies to disposals after March 27, 2024. Only increases in value that occurred after March 27, 2024 are taxable.

## Obligation to submit a Tax return

As the gains in question are not subject to capital gains tax deduction, all German and foreign investment funds are generally obliged to file corporate income tax returns in Germany. Regarding such disposals made after **March 27, 2024** in the taxable period calendar year 2024 the tax return is due **without tax advisor until end of July 2025 and with tax advisor until end of February 2026**.

Accordingly, the capital gains of corporations whose original business activity is aimed at generating income from letting and leasing and / or the sale of real estate would remain relevant. According to the draft, the statement of assets in the most recently audited and publicly accessible annual financial statements could be used as a basis for determining the real estate ratio.

We will keep an eye on the developments and our colleagues in Germany can offer you our support in identifying the relevant disposals and classes, determining the gains and filing the corporation tax returns.

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[www.kpmg.sk](http://www.kpmg.sk)

Tel.: +421 2 5998 4111

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