

Legal 500

Country Comparative Guides 2025

Slovenia

Tax Disputes

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Tax Audit Advisory

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This country-specific Q&A provides an overview of tax disputes laws and regulations applicable in Slovenia. For a full list of jurisdictional Q&As visit legal500.com/guides

Slovenia: Tax Disputes

1. Is it necessary for a taxpayer to register with the tax authority? Are separate registrations required for corporate income tax and value added tax/sales tax?

Yes, registration with the Slovenian tax authority is required.

All taxpayers registered in Slovenia are entered into the Slovenian tax register and obtain a tax identification number (TIN), which is used for all types of taxes. The TIN consists of eight digits. If taxpayer is registered for VAT purposes, it is supplemented with the prefix "SI".

Registration is also required for any legal or natural person without a registered office or other form of establishment in Slovenia who carries out business activities in the country. These persons must obtain a Slovenian TIN by submitting an application to the tax authorities.

There is no separate registration specifically for corporate income tax (CIT). Entry into the tax register and the assignment of a TIN are sufficient to meet CIT registration requirements. This must be completed prior to commencing business activities in Slovenia, or upon the establishment of a legal entity, or before a foreign taxpayer begins operating in Slovenia.

For Slovenian legal entities, registration with tax authorities is typically handled automatically. Upon incorporation, data from the court register (AJPES) is forwarded to the tax authorities, which enters the entity into tax register and issues TIN.

By contrast, foreign entities and individuals must register proactively before starting any taxable activities in Slovenia.

A separate registration is required for VAT purposes and must be completed before the commencement of VAT-taxable transactions.

2. In general terms, when a taxpayer files a tax return, does the tax authority check it and issue a tax assessment – or is there a system of self-assessment where the taxpayer makes their own

assessment which stands unless checked?

In Slovenia, both the self-assessment system and assessment based on a submitted tax return are applied, depending on the type of tax, the taxpayer's status, and the nature of income.

The yearly CIT liability reported in the CIT return (CIT-R) is based on self-assessment. During the year, taxpayers make monthly advance payments calculated on the basis of the previous year's CIT liability as reported in the CIT-R. For newly established taxpayers, advance payments are determined based on their own estimate, which must be communicated to the tax authority.

VAT is also based on self-assessment through periodic returns. Taxable persons with turnover above EUR 210,000 must file monthly VAT returns, while those below this threshold may file quarterly returns (except where intra-Community transactions are carried out, in which case monthly filing is required). Newly established taxable persons must file monthly returns for the first 12 months, and non-established businesses are always subject to monthly filing.

The annual PIT in Slovenia is determined through a tax assessment process, during which the tax authority reviews the submitted tax return and issues a tax assessment decision. An exemption applies only for income from independent business activity, for which self-assessment system comparable to CIT-R applies. Throughout the year, PIT is paid either via the withholding tax mechanism or through the tax assessment system, depending on the status of the income payer.

3. Can a taxpayer amend the taxpayer's return after it has been filed? Are there any time limits to do this?

Yes, but under certain conditions and time limits.

If tax is reported under the self-assessment system, the taxpayer may amend the submitted tax return within 12 months following the filing deadline, provided that the initially reported tax liability was overstated. If the tax liability was understated in the original return, the correction may only be made through voluntary self-disclosure. Voluntary self-disclosure is permitted no later

than the initiation of a tax inspection, the service of a tax assessment decision, or the commencement of a misdemeanour or criminal procedure. According to established case law, voluntary self-disclosure is no longer permitted once the statute of limitations for tax assessment has expired.

If tax is reported under the tax assessment system, the taxpayer may amend the submitted tax return until the tax assessment decision is issued. Once the tax assessment decision is final, it can be amended only through extraordinary legal remedies.

A special rule applies for VAT returns. A return that has already been filed can be replaced with a new return until the filing deadline has expired (unless a VAT refund has been claimed under the original return). After the deadline, errors from previous periods must be corrected in the current return.

4. Please summarise the main methods for a tax authority to challenge the amount of tax a taxpayer has paid by way of an initial assessment/self-assessment.

In Slovenia, the tax authority may challenge self-assessed taxes through different types of financial audits. These include review of tax returns where they check compliance with filing obligations and the correctness of submitted returns, audit of a specific area of business, and a full tax inspection, which may cover several business areas, taxes, or tax periods, and financial investigations into more serious breaches of tax or related legislation.

A tax inspection usually starts with a formal order, though in urgent cases it may begin without prior notice. Inspectors examine records and operations to verify whether taxes have been correctly declared and paid. At the end of the inspection, tax authority issues a written report describing the findings. The taxpayer has the right to submit comments or objections within a certain deadline. If no valid objections are made, the inspector issues a tax assessment decision. If no irregularities are found, the procedure is closed by a termination order.

5. What are the time limits that apply to such challenges (disregarding any override of these limits to comply with obligations to relief from double taxation under a tax treaty)?

In Slovenia, tax matters are generally subject to a five-year statute of limitations. The tax authority's right to

assess tax expires five years from the date on which the tax should have been declared, calculated or assessed. The same five-year period applies to the collection of tax, running from the due date of payment. If additional liabilities are established in a tax inspection, the collection period begins from the date on which the assessment decision becomes enforceable.

The running of the statute of limitations for tax assessment is interrupted by any official action taken by the tax authority for the purpose of tax assessment, provided that the taxable person is duly notified of such action. Following the interruption, the statute of limitations begins to run anew, and the period that elapsed prior to the interruption is not counted towards the limitation period. Notwithstanding the provisions on the statute of limitations for tax assessment, the tax obligation ceases upon the expiry of ten years from the date on which the statute of limitations for assessment or recovery first began to run.

6. How is tax fraud defined in your law?

In Slovenia, tax fraud is regulated as a criminal offence called "tax evasion" (davčna zatajitev) under Article 249 of the Slovenian Criminal Code. It is an offence that can only be committed intentionally, meaning the taxpayer deliberately seeks to avoid or reduce tax obligations.

In simplified terms, tax evasion occurs when a person, in order to avoid paying tax or to obtain an undue refund, provides false information on income, expenses, goods or other relevant circumstances, or otherwise misleads the tax authority. It also covers cases where a person fails to report income or other facts that must be reported, or deliberately withholds accounting records, explanations or data in order to prevent the determination of actual tax liability.

Tax evasion is considered a criminal offence only if the total unpaid or avoided tax obligations, or the tax unduly refunded, reach a "large property benefit", which in practice means an amount exceeding EUR 50,000 within a period of twelve consecutive months.

7. How is tax fraud treated? Does the tax authority conduct a criminal investigation with a view to seeking a prosecution and custodial sentence?

In Slovenia, there is a distinction between a tax misdemeanour and a criminal tax offence. Misdemeanours cover less serious breaches, such as late filing or

procedural infringements, and are handled directly by the tax authority, which acts as a misdemeanour body and may impose fines and other administrative sanctions.

If evidence suggests a criminal offence, for example, deliberate tax evasion under Article 249 of the Criminal Code, the tax authority must forward the case to the State Prosecutor in the form of a criminal complaint. The prosecutor then decides whether to pursue criminal proceedings, which can result in prosecution and custodial sentences.

This system ensures that the tax authority addresses administrative non-compliance and misdemeanors, while serious intentional fraud is prosecuted as a criminal offence by judicial authorities.

8. In practice, how often is a taxpayer audited after a return is filed? Does a tax authority need to have any justification to commence an audit?

In Slovenia, the frequency of audits depends on a risk-based approach. The tax authority prepares an annual audit plan using risk analysis and objective criteria, with the aim of ensuring consistent oversight of all taxpayers. Criteria include the importance of the tax to public revenues, previous audit findings, statistical analysis, and information received from other authorities, international exchanges, or public reports. A portion of audits is also conducted on a random basis.

In practice, this means that not every taxpayer will be audited after filing a return, but taxpayers identified as higher risk (for example, those with discrepancies in VAT records, unusually low declared income, signs of undeclared work, or use of aggressive tax arrangements) are more likely to be selected.

The tax authority does not require suspicion of fraud to begin a tax audit. However, audits are generally triggered by objective risk indicators. In certain sectors with high levels of the shadow economy, such as cash-based businesses, e-commerce, or short-term rentals, audits are more frequent.

9. Does the tax authority have to abide by any standards or a code of conduct when carrying out audits? Does the tax authority publish any details of how it in practice conducts audits?

The tax authority's investigative competences are in principle limited by the relevant legislation, which set out the legal framework for audit powers, taxpayer rights, and

procedural safeguards. Tax officials must also follow the principles of legality, proportionality, equal treatment, and protection of taxpayer rights.

In practice, this means that auditors are obliged to identify themselves, follow formal procedures, and document findings in a written inspection report. Taxpayers have the right to be present, to provide explanations, and to submit comments to the report before a final assessment decision is issued.

The tax authority each year publishes its annual inspection priorities on its website, outlining which areas and risks will be subject to closer scrutiny, however individual audits are still determined based on specific risk assessments.

10. Does the tax authority have the power to compulsorily request information? Does this extend to emails? Is there a right of appeal against the use of such a power?

The tax authority may request from persons information necessary for the collection of taxes or the fulfilment of obligations related to international cooperation in tax matters, including business books and records and other databases that persons are required to keep or keep, as well as any other information if and to the extent that it is relevant for the collection of taxes or the fulfilment of obligations related to international cooperation in tax matters. The tax authority may request information in electronic form if the information relates to the performance of activities or the generation of income and does not interfere with the confidentiality of letters and other communications. No special appeal is provided against a decision or request by the tax authority requiring a person to provide information.

11. Can the tax authority have the power to compulsorily request information from third parties? Is there a right of appeal against the use of such a power?

The tax authority may also request information necessary for the performance of its tasks from any other person who is not a taxpayer but is directly or indirectly involved in the transaction, or from any other person who has or should have the requested documents and records. No special legal recourse against the use of this power is provided for.

12. Is it possible to settle an audit by way of a binding agreement, i.e. without litigation?

The Slovenian Tax Procedure Act does not contain any specific provisions on the basis of which a settlement could be reached between the tax authority and the taxpayer in a classic tax procedure concerning tax assessment and tax liability.

13. If a taxpayer is concerned about how they are being treated, or the speed at which an audit is being conducted, do they have any remedies?

Taxpayers may assert a breach of tax inspection rules by lodging an appeal against the assessment decision, which concludes the tax inspection procedure and determines the taxpayer's obligation. The indicative time limit for carrying out a tax inspection is between 6 and 9 months, except in cases where the taxpayer does not cooperate or obstructs the procedure, or in cases where tax inspections are carried out simultaneously in several EU Member States. Exceeding this time limit is not a ground for appeal. The speed of the tax audit is indirectly influenced by the provisions on the limitation period for the right to assess tax. The right to assess tax expires five years from the date on which the tax should have been declared, self-assessed, withheld, or charged. The limitation period for the right to assess tax is interrupted by any official act of the tax authority for the purpose of assessing tax, of which the taxpayer is notified, but the tax liability ceases when ten years have elapsed from the date on which the limitation period for the right to assess tax first began to run.

14. If a taxpayer disagrees with a tax assessment, does the taxpayer have a right of appeal?

The taxpayer may lodge an appeal against the assessment decision issued in the tax audit within 30 days of the delivery of the decision. The assessment may be challenged on the grounds of a breach of substantive rules and/or procedural rules and/or incomplete or incorrect findings of fact.

15. Is the right of appeal to an administrative body (independent or otherwise) or judicial in nature (i.e. to a tribunal or court)?

A taxpayer may lodge an administrative appeal against an assessment decision that he believes to be unlawful

and, following the appeal, also seek judicial protection. Administrative appeals against tax assessment decisions are dealt with by the Ministry of Finance as the second-instance tax authority. If the second-instance tax authority rejects the taxpayer's appeal, the taxpayer may, within 30 days of the delivery of the second-instance decision, initiate judicial proceeding before the Administrative Court. In cases specified by law, an appeal or revision may also be lodged with the Supreme Court against the judgment issued by the Administrative Court. The taxpayer may challenge all relevant legal and factual issues before the Administrative Court and is entitled to a full judicial review of the tax decision.

16. Is the hearing in public? Is the decision published? What other information about the appeal can be accessed by a third party/the public?

Information relating to the tax liability of taxpayers is protected as tax secrecy. The public is excluded from oral hearings in tax proceedings. In tax litigation, the court excludes the public from the entire oral hearing or part thereof if (among other things) this is required for the protection of business secrets or privacy. Important judgments of the Administrative Court and the Supreme Court are published in anonymized form on the Supreme Court's case law portal; case law is also available through paid portals of commercial service providers.

17. Is the procedure mainly written or a combination of written and oral?

In tax proceedings, most actions are usually performed in writing. The law provides for the tax report as an important written act, which is issued by the tax authority at the end or towards the end of a tax audit and contains all decisive findings of the authority, on which the taxpayer may make a comprehensive statement or submit comments before the tax decision is issued. The means of evidence in tax proceedings are not limited. In addition to documentary evidence, all other relevant and appropriate means of evidence are admissible. The tax authority is obliged to hear witnesses and experts at the oral hearing.

Court proceedings are conducted in writing and orally. The oral hearing is mandatory. The Administrative Court may only refrain from holding the hearing in case of exceptional reasons, provided for by law in accordance with the Constitution.

18. Is there a document discovery process?

The concept of document discovery as such does not exist. Before issuing an assessment decision, the tax authority must, in accordance with the principle of unfettered evaluation of evidence, establish all facts relevant to the assessment decision (both those that are detrimental and those that are beneficial to the taxpayer) and allow taxpayers to protect and assert their rights during the proceedings. The tax authority must keep the taxpayer informed of its findings during the proceedings and record the entire course of the proceedings and its findings in the tax record. The taxpayers must prove the facts they assert in the proceedings. The taxpayer may submit evidence until the tax record is issued or until the first-instance tax decision is issued but must explain why they did not submit it before the record was issued. In proceedings involving legal remedies, evidence is subject to preclusion; the taxpayer may only assert new facts and/or new evidence if they can adequately justify the delay.

19. Are witnesses called to give evidence?

Evidence in tax matters is not limited to documentary evidence. If the taxpayer proposes evidence by hearing a witness, the tax authority must carry it out, unless there are constitutionally permissible reasons for rejecting the evidence.

20. Is the burden on the taxpayer to disprove the assessment the subject of the appeal?

The taxpayers must state in the appeal why they are challenging the decision. The second-instance authority reviews the decision in the part challenged by the taxpayer and within the submissions in the appeal, and ex officio reviews whether there was any breach of essential procedural requirements in the first-instance proceedings or any breach of substantive rules. In a court proceeding, the taxpayers must state in the action why they are suing and propose how and in what respect the assessment decision should be repealed or declared unlawful, thereby determining the scope of the judicial review of the contested decision.

21. How long does an appeal usually take to conclude?

The appeal procedure before the second-instance tax authority may take from several months up to two years. It is possible to file an action against an implied decision

rejecting a complaint. If the second-instance tax authority does not issue a decision on the taxpayer's appeal against the first-instance decision within two months or within a shorter period specified by law, and if it does not issue a decision within the next seven days even upon a new request, the taxpayer may bring an action before the Administrative Court as if his appeal had been rejected.

22. Does the taxpayer have to pay the assessment pending the outcome of the appeal?

The lodged appeal does not suspend the enforcement of the assessment decision, and the taxpayer must pay the disputed tax regardless of the lodged appeal. In certain cases, tax enforcement may be suspended. The tax authority should suspend tax enforcement ex officio if it considers that the appeal could be upheld, or at the request of the taxpayer if the latter submits appropriate security together with the appeal.

23. Are there any restrictions on who can conduct or appear in the appeal on behalf of the taxpayer?

There are no special conditions applicable to the appeal stage. In practice, taxpayers are often represented by tax advisors, attorneys, or certified accountants during this phase. However, in the event of judicial proceedings, representation is restricted to individuals who have passed the bar examination.

24. Is there a system where the "loser pays" the winner's legal/professional costs of an appeal?

The costs of the tax procedure, such as: expenses for administrative fees, legal representation and expert assistance, expenses for witnesses, experts, interpreters, and on-site inspections, are borne by the tax authority if the procedure ends favourably for the taxpayer, or by the taxpayer if the outcome is unfavourable. The maximum amount of reimbursement for legal representation and expert assistance is determined by a regulation.

25. Is it possible to use alternative forms of dispute resolution – such as voluntary mediation or binding arbitration? Are there any restrictions on when this alternative form of dispute resolution can be pursued?

No, this is not possible under Slovene regulation. Only in

case of international tax disputes (e.g. transfer pricing) taxpayers can rely on mutual agreement procedure based on double tax treaties or EU Arbitration Convention as an alternative form to the domestic remedies.

26. Is there a right of onward appeal? If so, what are all the levels of onward appeal before the case reaches the highest appellate court.

Yes. Following an appeal to the first-instance tax authority (FURS), the case is reviewed by the Ministry of Finance as the competent second-instance authority. If the taxpayer remains dissatisfied with the decision, they may initiate an administrative dispute by filing a lawsuit with the Administrative Court. A further appeal to the Supreme Court is permissible only where the case involves an important legal question. An appeal to the Constitutional Court is admissible exclusively on the grounds of an alleged violation of human rights or fundamental freedoms.

27. What are the main penalties that can be applied when additional tax is charged? What are the minimum and maximum penalties?

The main sanctions include late payment interest and administrative penalties for misdemeanours. Fines vary depending on the type of violation – from a few hundred euros for minor infractions to several thousand euros for serious breaches. A fine in cases of offences of a particularly serious nature might be also e.g. EUR 150,000. However, in cases of tax evasion, criminal sanctions may also apply.

28. If penalties can be mitigated, what factors are taken into account?

Yes, penalties may be mitigated. Relevant mitigating factors include voluntary self-disclosure of irregularities, active cooperation with the tax authority, a clean compliance history, prompt settlement of tax and interest liabilities, and waiving the right to appeal during the procedure, among others.

29. Within your jurisdiction, are you finding that

tax authorities are more inclined to bring challenges in particular areas? If so, what are these?

Yes. The tax authority prepares an annual tax audit plan using risk analysis and objective criteria, with the aim of ensuring consistent oversight of all taxpayers. For 2025, the primary focus areas include transfer pricing in multinational enterprises, issues related to permanent establishments (PE), the application of investment-related tax incentives, and the accurate reporting of foreign income (e.g., stock options).

30. In your opinion, are there any areas which taxpayers are currently finding particularly difficult to deal with when faced with a challenge by the tax authorities?

In our opinion, taxpayers often struggle with understanding complex transfer pricing rules, proving eligibility for tax incentives, handling foreign income (especially stock options), navigating lengthy procedures and unclear interpretations of tax law.

31. Which areas do you think will be most likely to be the subject of challenges and disputes in the next twelve months?

Based on the 2025 tax audit plan of the tax authorities, the areas most likely to give rise to challenges and disputes over the next twelve months are primarily connected with VAT, particularly the denial of input deductions, assessments of cross-border exemptions and the treatment of alleged fictitious invoices. Disputes can also be expected in the field of transfer pricing, where related-party transactions involving services, intangible assets and financial flows are inherently complex and open to differing interpretations. Additional areas of likely contention include undeclared work and cash-based business activities, especially those conducted through online platforms, as well as the classification of employment relationships. Finally, customs valuation and tariff classification of imported goods, as well as the application of exemptions and reliefs introduced in connection with crises and environmental levies, are also expected to generate significant disagreement between taxpayers and the authorities.

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