EUROPEAN
COMMISSION

Brussels, 24.11.2026
SWD(2026) 1224 final

COMMISSION STAFF WORKING DOCUMENT

Mind the Gap 2026: Country fiche – Slovakia

Accompanying the document

COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

Mind the Gap 2026: Boosting public finances through joint efforts to reduce tax gaps and improve compliance

{COM(2026) 630 final} - {SWD(2026) 1201 final} - {SWD(2026) 1202 final} - {SWD(2026) 1203 final} - {SWD(2026) 1204 final} - {SWD(2026) 1205 final} - {SWD(2026) 1206 final} - {SWD(2026) 1207 final} - {SWD(2026) 1208 final} - {SWD(2026) 1209 final} - {SWD(2026) 1210 final} - {SWD(2026) 1211 final} - {SWD(2026) 1212 final} - {SWD(2026) 1213 final} - {SWD(2026) 1214 final} - {SWD(2026) 1215 final} - {SWD(2026) 1216 final} - {SWD(2026) 1217 final} - {SWD(2026) 1218 final} - {SWD(2026) 1219 final} - {SWD(2026) 1220 final} - {SWD(2026) 1221 final} - {SWD(2026) 1222 final} - {SWD(2026) 1223 final} - {SWD(2026) 1225 final} - {SWD(2026) 1226 final} - {SWD(2026) 1227 final} - {SWD(2026) 1228 final}

Country fiche: Slovakia

Summary box: Areas of Strength and Areas for Improvement

Areas of Strength

- **Slovakia's tax administration has made progress on digitalisation and targeted compliance management.** Slovakia has strengthened VAT registration through risk-based verification using data mining to assess applicant risk levels. E-commerce oversight benefits from a dedicated trader register, enhanced data validation, and collaboration between tax and customs authorities. Behavioural tools, such as soft warning messages and early interventions encourage voluntary compliance before formal audits.

Areas for Improvement

- **The VAT compliance gap in Slovakia remained higher than the EU average in 2023, at 11% of the VAT Total Tax Liability (VTTL).** However, it has followed a consistent downward trajectory since 2019, pointing to the effect of efforts to support VAT compliance over that period. Recent measures, such as the implementation of mandatory e-invoicing for business-to-government (B2G) transactions, stricter penalties for non-compliance, and the planned transition towards widespread use of mandatory e-invoicing for domestic and foreign transactions and real-time reporting, are expected to contribute to continued improvements in VAT compliance in the future.

- **There is no formalised process for tax expenditure evaluation in Slovakia.** While a number of ad hoc evaluations have been undertaken and tax expenditures feature in spending reviews, there is no standardised evaluation framework to ensure regular reviews, especially of the very costly provisions

- **Slovakia could benefit from improving its management of tax debt recovery**. Overall, tax debt recovery remains a weak point: while arrears are below the EU average and have been falling, the share of arrears considered collectable is far lower than the EU average, pointing to enforcement gaps. The country could benefit from a more proactive, data-driven approach. More use could be made of mutual assistance with other Member States. There is also no specific legal framework governing coordination between insolvency administrators and tax recovery authorities.

1. Introduction and policy context

1.1. Snapshot of the tax system

Slovakia's tax-to-GDP ratio remains significantly below the EU average, while capital taxes remain underused. Tax revenue (including social contributions) increased to 35.5% of GDP in 2024 (from 35.0% in 2023), about 4 percentage points (pps) below the EU average ([1]). Labour taxes account for 54.9% of total revenue, in a context of an elevated tax wedge ([2]) for all income levels. Consumption taxes represent 31.2% of total revenue, 4.4 pps above the EU average (26.8%). VAT is the main consumption tax and related revenues amount to 7.6% of GDP, 0.5 pps above the EU average, although the VAT gap still exceeds the EU average (see section 2.2). By contrast, capital taxes account for a relatively low share in the tax mix (13.9% of total revenue, compared to 21.6% in the EU), thus explaining 90% of the difference in the tax-to-GDP ratio vis-à-vis the EU average. Compared to other EU peers, Slovakia makes limited use of property taxes and of other taxes on production.

Despite the limited progressivity of Slovakia's labour tax system, income concentration is low. The tax wedge is above the EU average across the income distribution, particularly among lower-income earners, which generates disincentives for labour market participation of low-skilled workers ([3]). At 5.9 pps in 2025, the difference in the tax wedge between high-income (167% of average wage) and low-income earners (50% of average wage) is among the lowest in the EU (average of 12.5 pps). The ability of the tax and benefit system to reduce the Gini coefficient has increased remarkably in recent years to reach 8.2 pps in 2024 ([4]), slightly above the EU average of 7.8 pps. The income quintile share ratio (S80/S20), as a measure of income inequality ([5]), was 3.27 in 2025 (income reference year 2024), the second lowest in the EU (average of 4.62). The at-risk-of-poverty and social exclusion rate (AROPE) ([6]) is also well below the EU average (16.7%, compared to 20.9%).

[1] Data on tax revenues are based on European Commission: Data on Taxation Trends, edition 2026 (reference year 2024), which are produced by DG Taxation and Customs from ESA table 9 and National Tax List data, as collected and validated by Eurostat. The 2027 edition (reference year 2025) will be published in the first quarter of 2027. Recent Eurostat release shows a tax-to-GDP ratio of 35.8% in 2025, compared to an EU average of 39.7% (data of 30/10/2026 on [GOV_10A_TAXAG]).

[2] The tax wedge is an indicator of the tax burden on labour that can be assessed at different earnings levels. It is calculated as the sum of personal income tax, employee social-security contributions, employer social-security contributions and other mandatory contributions, net of cash family benefits where relevant, expressed as a percentage of total labour costs (composed of the gross wage plus employer social-security contributions). Data are based on the EUROMOD model, calculated by the Joint Research Centre (JRC) of the European Commission. Unless indicated differently, values indicated in this country fiche refer to single earners.

[3] An earner of 50% of the average wage has a tax wedge of 40.8%, more than 9 pps above the EU average. Earners of 100% of the average wage have a tax wedge of 44.6% (4.6 pps above the EU average), and earners of 167% of the average have a tax wedge of 46.7% (2.6 pps above the EU average).

[4] European Commission, DG ECFIN calculations based on EU-SILC survey data. A Gini coefficient of 0 expresses perfect equality where everyone has the same income, while a coefficient of 100 expresses full inequality where only one person has all the income. The difference between the "gross" (excluding pensions from social transfers) and the "net" Gini coefficient, i.e. before and after application of the tax-benefit system, reflects the difference between market income and disposable income.

[5] The income quintile ratio (S80/S20) is a headline indicator in the EU Social Scoreboard used to monitor income inequality. It measures the ratio between the total equivalised disposable income received by the top 20% of the population and the bottom 20%.

[6] Share of people living in households experiencing at least one of the three poverty and social exclusion risks: risk of poverty, severe material and social deprivation, and/or living in a household with very low work intensity.

In 2026, Slovakia has received the following country-specific recommendations (CSRs) in the area of taxation ([7]):

- *Make the tax mix more efficient, including by reducing disincentives in the labour market, and making stronger use of environmental and recurrent property taxation. Simplify the taxation system and improve spending efficiency, including by aligning spending reviews with the budgetary process. Continue to strengthen tax compliance, including by further digitalising the tax administration.*
- *Improve research and innovation policy by continuing increases to public R&D investment, streamlining the R&I governance, funding and evaluation systems, incentivising collaboration between business and the research sector, and by revising the R&D tax incentive scheme to provide greater support to SMEs.*

Slovakia is under the Excessive Deficit Procedure (EDP) since July 2024, with a Council recommendation to put end to it by 2027 ([8]). Slovakia had a government deficit of 4.5% of GDP in 2025 (down from 5.3% in 2024) and a government debt of 61.4% (up from 59.7% in 2024), both above the reference values of 3% and 60%, respectively.

1.2. Tax complexity and simplification measures

1.2.1. Measures of tax complexity

Slovakia's tax system appears complex, particularly from the perspective of taxpayers. Survey-based evidence from the Tax Complexity Index (TCI), based on the 2024 survey wave, places Slovakia in the lower half of the EU distribution, ranking 18th among Member States. The underlying components of the TCI suggest that complexity arises more from the tax code than from administrative procedures ([9]). Citizen perceptions are among the least favourable in the EU: only 25% of respondents report that completing their tax return is easy, compared with 49% in the EU on average, while reliance on professional assistance is particularly high at 17% ([10]).

Legislative activity has increased in recent years. Slovakia recorded 21 tax changes entering into force or being announced in 2025, well above the EU average of around 14 ([11]). This follows 21 tax changes in 2024, 13 in 2023 and 11 in 2022. While legislative activity was at or below the corresponding EU average in 2022 and 2023, it has been above the EU average in both 2024 and 2025, pointing to a recent increase in the pace of tax policy change. The reforms adopted in 2025 span a broad range of taxes, including personal income tax (PIT), social security contributions, corporate taxation, VAT and sector-specific levies. Several measures affect businesses directly, including the introduction of a new minimum corporate income tax (CIT) band for large companies,

[7] https://data.consilium.europa.eu/doc/document/ST-11137-2026-INIT/en/pdf.
[8] https://data.consilium.europa.eu/doc/document/ST-5039-2025-INIT/en/pdf.
[9] The Tax Complexity Index (TCI), developed under the Global MNC Tax Complexity Project, measures the complexity of countries' corporate income tax systems as faced by multinational firms. Based on survey data from tax professionals, it captures both the complexity of tax rules (tax code) and administrative procedures (tax framework), with values ranging from zero (not complex) to one (extremely complex).
[10] European Commission (2025), Flash Eurobarometer 562: Citizens' attitudes towards taxation, fieldwork conducted between 9 and 17 April 2025. Available at: https://europa.eu/eurobarometer/.
[11] The information is based on the tax measures reported by national administrations in the Joint European Commission-OECD Annual Tax Policy Reform Questionnaire, by aggregating and processing the responses received to the 2026 questionnaire. The 2026 questionnaire covers tax policy measures self-reported by the Member States that were implemented, legislated, or announced between 1 January and 31 December 2025. While comprehensive, the list of tax measures is non-exhaustive.

the extension of investment incentives for Industry 4.0, changes to depreciation rules, higher levies on regulated sectors, and amendments to VAT rules. While many of these reforms pursue revenue, investment or social policy objectives, the breadth and frequency of legislative changes increase adaptation costs for firms and households in the short-run.

Demand-side indicators provide additional context. The accounting, bookkeeping and tax consultancy sector accounts for around 0.8% of gross operating surplus, broadly in line with the EU average of 0.9% ([12]). While this indicator is influenced by several factors, it does not point to an unusually large professional services sector ([13]). Taken together, the evidence suggests that Slovakia combines relatively complex tax rules with significant practical compliance burdens.

1.2.2. National simplification efforts

While tax reforms in Slovakia focus on fiscal consolidation, recent proposals are geared towards reducing administrative burden and compliance costs. The reforms reported by Slovakia in 2025 focus on fiscal consolidation and targeted tax policy measures rather than simplification. Moreover, Slovakia introduced a tax on the use of payment services with a differentiated tax rate per taxable service exemptions for some types of users, potentially complicating compliance. While some reforms may indirectly simplify compliance for specific categories of taxpayer – notably the exemption of natural persons from the tax on payment services – no comprehensive simplification initiative was introduced in 2025. However, in June 2026, the Slovak Government approved the draft of the first package ([14]) of stabilisation measures for the business environment, which is expected to be discussed by the National Council of the Slovak Republic in September 2026. The package is primarily aimed at reducing administrative burdens and compliance costs for businesses through the simplification or abolition of selected reporting and administrative obligations. Tax-related measures include the simplification of selected tax administration procedures, notably by easing withholding tax reporting requirements and removing a notification obligation under the electronic registration of sales (*eKasa*) system.

More broadly, the Ministry of Finance considers the introduction of mandatory electronic invoicing from 1 January 2027 to be a key element of its digitalisation strategy. It is expected that the availability of invoice data will facilitate the application of the "once-only" principle, reducing duplicate reporting requirements and supporting further reductions in administrative burdens across public administration. Additional legislative and administrative simplification measures are currently being explored to build on the implementation of mandatory electronic invoicing.

1.3. Measures of the non-observed economy and the shadow economy

Estimates of economic activities outside the formal economy are relevant for gauging tax gaps. The non-observed economy (NOE) is an official figure provided by national statistical

[12] A higher share of gross operating surplus indicates that the accounting, bookkeeping and tax consultancy sector generates a relatively larger share of operating profits and value added in the economy. While not a direct measure of tax complexity, it may point to a comparatively important professional services sector and, indirectly, to greater demand for specialised tax and accounting expertise.

[13] While some cross-border provision of accounting, tax consultancy and related services may be captured through imports and exports of services, available evidence suggests that such flows are relatively limited. In particular, data from the Eurostat's EU inter-country supply table at basic prices (reference year 2023) indicate that cross-national transactions in these services represent only a small share of overall activity, if any, suggesting that their impact on the interpretation of domestic sector size is likely to be limited.

[14] Detail materiálu | Portal OV.

authorities estimating all economic activities that may not be captured in the basic data sources used for compiling national accounts. It includes underground, informal, illegal, and household self-use production, as well as activities missed due to imperfect data collection ([15]). The shadow economy is an analogous but narrower concept – used in the economic literature and measured via macroeconomic models – that usually encompasses only legal, market-based productive activities deliberately concealed from public authorities to evade taxes or regulations. Due to limitations and methodological differences between the two approaches, model-based estimates of the shadow economy paradoxically often turn out to be considerably higher than NOE-based estimates.

Specifically, recent data from official sources ([16]) allow to estimate the size of the NOE in Slovakia at 16.8% of GDP for 2021. The NOE mainly comprises the underground economy (14.5%). The contribution from the other components of NOE is much smaller: 1.6% of GDP from informal economy, 0.37% from illegal economy and 0.24% for statistical deficiencies. Slovakia thus records a NOE well above the EU average (7.4% of GDP) ([17]). The largest part of the NOE is concentrated in 'Construction' (5.9% of total GVA), 'Wholesale and retail trade' (3.1%) and 'Professional, scientific and technical activities' (1.7%). At industry level, the highest shares of NOE are presented by 'Construction' (68% of its GVA), 'Accommodation and food service activities' (65.6%) and 'Agriculture' (53.5%).

Different models produce substantially different estimates for the shadow economy, reflecting the complexity of such estimation. As in most EU Member States, model-based estimates of the shadow economy for Slovakia are often lower than the NOE estimate discussed above. In 2022, the shadow economy in Slovakia represented 13.1% of its GDP, according to estimates by Schneider and Asllani for the European Parliament ([18]). This ratio is 4.5 pps below the EU-27 average and it has decreased compared to 2003 (18.4% of GDP). The report also indicates that indirect taxes and unemployment are the main drivers of the shadow economy in Slovakia. Several other studies provide estimates of similar magnitude for the size of the shadow economy ([19]). However, using a currency demand approach (CDA), a recent study by EY ([20]) reports lower estimates for the Slovak shadow economy at 8.9% of GDP in 2023 (EU average 7.9%), down from 16% in 2000 (EU average 13.2%).

[15] Statistical deficiencies (N7) are related to incomplete, not collected or not directly collectable data. See Fernandes, A. (2025), The non-observed economy in the national accounts: New evidence for EU and EFTA Member States - available at https://www.sciencedirect.com/science/article/pii/S0313592625000712 - for the definitions of the other components of NOE: Producers deliberately not registering (N1); Illegal economy (N2); Producers not required to register (N3); Registered legal persons not surveyed (N4); Registered entrepreneurs not surveyed (N5); Producers deliberately misreporting (N6). Informal economy = N3+N4+N5. Underground economy= N1+N6. In other words, the informal economy specifically covers unregistered or small-scale unincorporated enterprises run by households.

[16] For data and documents used for calculations by TAXUD, see Section 1.3 "Measures of the non-observed economy and the shadow economy" in Annex A to this report (Methods, Data and Assessment Framework of the Country Fiches).

[17] The (unweighted) EU average does not include Luxembourg.

[18] This study uses a MIMIC approach (Multiple Indicator Multiple Cause). European Parliament (2022), Taxation of the informal economy in the EU. Available at: https://www.europarl.europa.eu/RegData/etudes/STUD/2022/734007/IPOL_STU(2022)734007_EN.pdf.

[19] See Fernandes op. cit. (2025) for an overview of various studies.

[20] The report is available at https://www.ey.com/content/dam/ey-unified-site/ey-com/en-gl/insights/tax/documents/ey-gl-shadow-economy-report-02-2025.pdf.

2. Compliance tax gaps

2.1 Overview

Slovakia performs tax gap estimation, although results are not published. Slovakia currently estimates tax gaps for selected taxes, although it does not publish an overall tax gap and has no legal obligation to do so. Tax gap analysis is carried out in-house by the Ministry of Finance and the Financial Administration (*Finančná správa*), without third-party support. Within the Financial Administration, tax gap estimation is performed by the team dedicated to tax compliance and risk analysis.

Slovakia contributes to the EU tax gap community through its participation in the TADEUS/Fiscalis Working Group on Tax Gap Estimation. The Fiscalis Project Group on Tax Gap Estimation, a collaborative initiative launched with the support of the European Commission, aims to develop a harmonised approach for estimating tax gaps across EU Member States. Slovakia participated in the first cycle of the project, which concluded in 2025 ([21]), and continues to participate in the current cycle, launched in 2026.

2.2 Compliance tax gaps in VAT

For 2023, the VAT compliance gap ([22]) in Slovakia was estimated at around 11% of the VAT Total Tax Liability (VTTL) ([23]), or approximately EUR 1 billion. It stood at over 16% in 2019 and has followed a consistently decreasing path until 2023, when it was 6 pps lower than the 2019 level ([24]). Slovakia's VAT compliance gap was higher than the EU average of 9.5% in 2023. This decline was linked to an increase in the growth in consumption of easily taxable, low risk goods (such as food and non-alcoholic beverages) and a decrease in the share of services in GDP, including reduced growth in consumption of hard-to-tax service categories (such as recreation, restaurants and accommodation) and a fall in the growth of tourism.

Several measures have supported VAT compliance in recent years. Updated VAT provisions came into effect in 2023, introducing stricter financial penalties for non-compliance, aiming to crack down on underreporting and missed tax liabilities ([25]). As of 2026, the tax authority is able to register economically interconnected but formally independent entities as a single VAT group *ex officio* to block fraud schemes involving split companies ([26]). Looking forward, mandatory B2B and B2G e-invoicing for domestic transactions is set to enter into force in 2027, further improving transaction transparency.

[21] For details, please refer to the TADEUS website, the FISCALIS programme website and the Final Report of the Project.
[22] The VAT compliance gap is an estimate of revenues lost due to VAT fraud, evasion and avoidance, bankruptcies and financial insolvencies, or miscalculations.
[23] The VAT Total Tax Liability (VTTL) is the theoretical tax revenue that would be collected in a situation of perfect taxpayer compliance, assuming an unchanged net VAT base.
[24] See European Commission, Syntesia, Poniatowski, G., Bonch-Osmolovsky, M., Śmietanka, A. et al., VAT gap in Europe – Report 2025, Publications Office of the European Union, Luxembourg, 2025, https://data.europa.eu/doi/10.2778/7868422.
[25] Fiscal Solutions, 2023. New VAT law in Slovakia. https://www.fiscal-requirements.com/news/2051-new-vat-law-in-slovakia.
[26] Accace, 2025. Upcoming changes to the VAT Act in Slovakia effective from 2026. https://www.accace.com/changes-to-the-vat-act-in-slovakia/.

2.3 Compliance tax gaps in corporate and personal income tax

Slovakia was the pilot country for implementing the IMF Revenue Administration Gap Analysis Programme (RA-GAP) to estimate the CIT gap ([27]). The methodology, developed with technical assistance from the IMF and adopted by the Institute for Financial Policy (IFP) of the Ministry of Finance, estimates the CIT gap using a top-down approach based on national accounts data rather than audit results. It starts from the Gross Operating Surplus (GOS) of corporations in the national accounts and derives the potential corporate tax base through a series of adjustments to reconcile statistical concepts with tax concepts. These adjustments account for differences between GOS and financial accounting profit (e.g. interest, rents, depreciation and capital gains/losses), tax-specific adjustments transforming accounting profit into the current-year tax base, and the effects of current and carried-forward losses. The resulting potential tax base is compared with the declared tax base from corporate tax returns to estimate both the CIT base gap and the CIT gap.

The methodology was implemented between October 2016 and March 2017 through cooperation between the IMF and the Institute for Financial Policy. The model combines national accounts, corporate tax return data and the business register and is updated annually. Owing to data limitations, the analysis is restricted to non-financial corporations (sector S11), which nevertheless account for approximately 85% of Slovak CIT revenues. Financial corporations and other institutional sectors were excluded because national accounts data were not considered sufficiently detailed to derive a reliable potential tax base.

The first estimates indicated a gradual decline in the CIT base gap since 2010, associated with the introduction of anti-evasion measures, a reduction in declared tax losses, the introduction of a minimum CIT and increased transparency through the public register of financial statements. At the same time, the estimates should primarily be interpreted as indicators of long-term trends rather than precise annual levels, given their dependence on national accounts revisions and the possibility that the potential tax base is underestimated.

In addition to the top-down RA-GAP methodology, Slovakia developed a bottom-up approach to estimate the CIT gap based on firm-level tax return and tax audit data ([28]). Unlike the top-down approach, which estimates the aggregate gap from macroeconomic data, the bottom-up methodology estimates undeclared taxable income at the individual taxpayer level using econometric techniques that correct for the non-random selection of audited firms. The methodology combines information from tax returns, audit adjustments and firm characteristics to estimate the amount of underreported taxable income for the wider taxpayer population. This allows the CIT gap to be analysed by firm size, sector, region and other taxpayer characteristics, providing more detailed evidence on the sources and distribution of non-compliance than the top-down approach. The bottom-up estimates are intended to complement, rather than replace, the macro-level estimates derived from the RA-GAP methodology.

European Commission estimates suggest a high CIT compliance gap in Slovakia. Based on a methodology developed by the Joint Research Centre which relies on a top-down approach using

[27] https://taxation-customs.ec.europa.eu/document/download/e85c5fab-ab8e-4c4f-bd32-cbd1f54f963d_en.
[28] https://www.mfsr.sk/files/archiv/80/Analyza_CIT_gap_bottom-up.pdf.

national accounts data and estimates of the non-observed economy produced by national statistical offices, the CIT compliance gap of Slovakia is estimated at around 23.2% of collected CIT revenues based on 2021 data ([29]). Based on the same methodology, the (unweighted) average CIT compliance gap is 9.2% of collected CIT revenues across all Member States. Compared to an earlier estimate of around 26.7% in 2018, this indicates a decline over time, while remaining well above the EU average.

No official estimates of the PIT compliance gap have been produced for Slovakia. While Slovakia has developed comprehensive methodologies to estimate the CIT compliance gap, it currently does not produce national PIT gap estimates.

2.4 Other compliance tax gaps

The Commission continues its work on excise gap estimation, developing and scrutinising methodologies with experts from over 20 Member States, with the aim of delivering more robust estimates that better support policy and operational work. This work also illustrates Member States' growing engagement in the field.

Slovakia does not systematically estimate a compliance tax gap for excise duties. The country demonstrates an interest in this area by devoting resources to strengthening EU cooperation on excise matters through its participation in the FISCALIS project group on Excise gap and Risk. Until 2016, the Institute for Financial Policy of the Ministry of Finance of the Slovak Republic published estimates of the compliance tax gap in excises regarding mineral oils, covering the period 2008 - 2015. In 2015, the gap was estimated in the range of 17.1% to 19.2%, corresponding to potential forgone revenues of up to EUR 269 million ([30]). The methodology estimates the compliance gap through a top-down approach by comparing potential excise liabilities, derived from estimates of fuel consumption, with actual tax collections. The analysis combines multiple data sources, including vehicle registrations, road-toll and mileage information, fuel consumption statistics and taxpayer micro-data.

Slovakia does not publish any information on possible other compliance tax gaps estimations. There are no official programmes or published figures for compliance gaps related to other taxes.

3. Policy Tax Gaps

3.1 Tax expenditure reporting and evaluation

Slovakia does not publish a dedicated standalone annual tax expenditure report. Instead, information on tax expenditures is included in the annual *Hlavná kniha* (Main Book) ([31]) accompanying the Public Administration Budget. At least since the 2013–2015 budget ([32]), the

[29] European Commission estimates are based on a top-down methodology for approximating CIT compliance gaps using national accounts data. The approach relies on exhaustiveness adjustments made by national statistical offices to Gross Operating Surplus, Gross Value Added and Gross Domestic Product in order to account for non-observed economic activity in the compilation of GNI. The method provides a harmonised proxy for domestic underreporting of corporate income, but does not capture all sources of CIT revenue losses, in particular those related to international profit shifting or other forms of legal tax optimisation. For further information on the data sources, underlying assumptions and methodological caveats, see Annex A to this report (Methods, Data and Assessment Framework of the Country Fiches).

[30] https://www.mfsr.sk/files/archiv/priloha-stranky/20042/70/MO_GAP_metodologia_aktualizacia.pdf

[31] Rozpočet verejnej správy | Ministerstvo financií Slovenskej republiky.

[32] https://rokovania.gov.sk/RVL/Material/32287/1

documentation has contained a dedicated section on tax expenditures, based on the methodology developed by the Institute for Financial Policy (IFP) in 2014 (*Zverejňovanie daňových výdavkov*) ([33]). The methodology defines tax expenditures, establishes the benchmark tax system and sets out the criteria and methodology for their identification and disclosure. The budget section builds on this methodology by describing the benchmark tax system used to identify tax expenditures.

In the most recent 2026–2028 budget ([34]), the dedicated tax expenditures section provides estimates of tax expenditures and explanations of the main drivers of year-to-year changes. The fiscal impact of tax expenditures is declining from about 3.4% of GDP in 2023 to 2.4% in 2026. PIT related tax expenditures increase in 2026 is mainly due to the replacement of the parental pension scheme by a mechanism allowing taxpayers to allocate part of their personal income tax to their retired parents, creating a new tax expenditure estimated at almost EUR 70 million. Changes in CIT tax expenditures are mainly driven by the reduction in the withholding tax rate on interest income from EU/EEA government bonds. VAT tax expenditures reflect changes to reduced VAT rates, including the removal of the reduced rate for foods with high sugar and salt content, the extension of the 5% reduced rate to selected printed publications, and other amendments to reduced VAT rates.

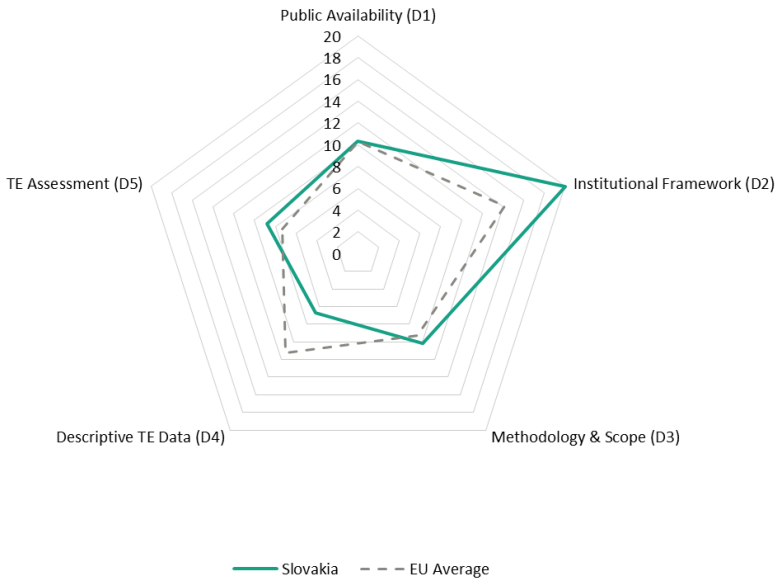
Challenges remain regarding the identification, classification and treatment of certain borderline or methodologically complex cases. While the information published in the Main Book provides the complete list of tax expenditures currently identified by the Slovak authorities, together with the corresponding revenue forgone estimates, some challenges remain regarding the identification, classification and treatment of certain borderline or methodologically complex cases. To address these challenges, Slovakia is currently carrying out a joint project with the IMF focused on tax expenditure reporting, which aims to strengthen the methodological framework for identifying, reporting and evaluating tax expenditures ([35]).

Compared to other Member States, tax expenditure reporting in Slovakia is relatively well developed (overall ranked 11th according to the Global Tax Expenditures Transparency Index (GTETI)). According to the GTETI analysis, transparency in tax expenditure reporting in Slovakia is above the EU average overall but exhibits an imbalance across dimensions. Figure 1 depicts the GTETI results for the five dimensions analysed in comparison to EU averages ([36]). Maximum value for each dimension is 20. Slovakia performs above the EU average on 'Institutional Framework' (20.00 vs 14.19). Slovakia is on par with the EU average on 'Public Availability' and 'Methodology and Scope' and 'Tax Expenditure Assessment'. However, 'Descriptive Tax Expenditure Data' is below the EU average (6.67 vs 11.28), indicating no information on legal duration or sunset clauses, and missing legal references. The strong performance on 'Institutional Framework' reflects a clear legal requirement to report, mandatory parliamentary submission,

[33] 13. Zverejňovanie daňových výdavkov | Ministerstvo financií Slovenskej republiky.
[34] Hlavna-kniha.pdf.
[35] Slovakia is currently revising their manual in line with the recommendations of the IMF report. Slovakia expects the revised manual to be finalized by the end of 2026 or in early 2027.
[36] See the Global Tax Expenditures Transparency Index (GTETI) companion paper (2026) and Annex A to this report (Methods, Data and Assessment Framework of the Country Fiches)for details. The GTETI summarises information in five dimensions. These are (1) Public availability — whether a TE report exists and is accessible; (2) Institutional framework — its legal mandate, periodicity, and integration into the budget process; (3) Methodology and scope — the benchmark definition, estimation method, and coverage of taxes; (4) Descriptive tax expenditure data — the granularity and classification of reported provisions; and (5) Tax expenditure assessment — the quality of revenue-forgone estimates and whether TEs are evaluated for effectiveness.

integration in the budget proposal, integration in the medium-term strategy and clear institutional responsibility.

Figure 1: Slovakia vs EU average — GTETI v2.1 dimension scores (max 20 per dimension)



Source: GTETI v2.1.

No established framework for tax expenditure evaluation is in place. While there is no institutionalised process for tax expenditure evaluation, the IFP has sometimes evaluated individual reliefs. The most substantive single-provision evaluation is the 2023 assessment of recreation vouchers and the reduced VAT rate on accommodation. Each measure costs roughly EUR 30 million a year. The evaluation modelled the tourism impact and found that the measures raised registered overnight stays by about 10%, but did not change sector profitability, employment, or wages, and that the VAT cut was largely not passed through to final prices ([37]). The R&D super-deduction and the patent box were evaluated within the research-and-development spending review (VAIA/IFP, 2023). That review found the super-deduction a relatively reliable instrument for mobilising private R&D, at a cost of around EUR 40 million in forgone corporate income tax. The instrument is found most effective for firms with low baseline R&D. The evaluation recommended extending eligible costs and adding a refund mechanism for young loss-making firms.

Slovakia has integrated tax expenditure evaluation into its broader spending review framework. The Subsidy Spending Review (*Revízia výdavkov na dotácie*) is the closest Slovakia has come to a systematic evaluation of tax expenditures. An interim report was published in October 2022, followed by a final report in February 2023. The exercise explicitly brought tax expenditures within its scope, assessing approximately EUR 360 million in tax-based support on average. Its main finding was that most tax expenditures lack clearly defined objectives against which their effectiveness can be assessed, while the government support provided through tax advantages is

[37] Inštitút finančnej politiky (2023). Poukážte sa, prosím! Ekonomické zhodnotenie rekreačných poukazov a zníženej DPH na ubytovanie. Komentár 2023/9. Landing page: https://www.mfsr.sk/sk/financie/institut-financnej-politiky/publikacie-ifp/komentare/komentare-z-roku-2023/9-poukazte-prosim.html, Inštitút finančnej politiky (2023). Poukážte sa, prosím! — full commentary (PDF): https://www.mfsr.sk/files/archiv/69/Rekreacne_poukazy_expost.pdf.

often only sparsely documented ([38]). A Technical Support Instrument (TSI) project ([39]) is currently supporting Slovakia with recommendations to strengthen tax expenditure reporting, evaluation, and VAT efficiency analysis, while broader support has been provided on spending reviews through previous and ongoing TSI projects.

Slovakia's Supreme Audit Office (NKÚ SR) provides an external review of tax expenditures. The audit office engages with tax expenditures in two main ways. First, through its annual opinions on the draft state budget. Each year, NKÚ reviews the draft budget and comments on the tax expenditure component, providing an external check not only on public spending but also on the quality and transparency of tax expenditure estimates ([40]). Second, through sectoral compliance audits. For example, its 2023–24 audit of the state-supported rental housing scheme examined the associated tax reliefs and identified unresolved state-aid risks. Its audit of Customs Procedure 42 examined the abuse of VAT exemptions, while the 2024 audit of church financing catalogued the tax reliefs and exemptions available to religious organisations.

3.2 Policy tax gaps in VAT

Several changes in VAT rates have taken place in recent years. The standard VAT rate was increased from 20% to 23% in 2025. The previous 10% reduced rate was removed, replaced by a new 19% reduced rate and a second 5% reduced rate as part of a fiscal consolidation package ([41]). As of 2026, certain high-sugar and high-salt food products have been moved into the 23% standard category ([42]).

The VAT policy gaps in Slovakia (national policy-driven VAT exemption gap and VAT rate gap) were lower than the EU average in 2023. Revenues forgone due to the application of reduced rates and national policy-driven exemptions reached around EUR 3 billion in 2023 ([43]). The national policy-driven VAT exemption gap ([44]) was estimated at around EUR 1.5 billion in 2023, or 8% of the notional ideal revenue ([45]), while the EU average was 11%. The VAT rate gap ([46]) was also estimated at around EUR 1.5 billion in 2023, or 7% of the notional ideal revenue, lower than the EU average of 12%.

---

[38] Útvar hodnoty za peniaze (2023). Revízia výdavkov na dotácie — Záverečná správa, február 2023 (assesses ~€471m of tax expenditures; covers R&D super-deduction, patent box, recreation vouchers). PDF: https://www.mfsr.sk/files/archiv/32/Zaverecna_dotacie_230228_zverejnenie.pdf.

[39] Technical support Instrument Project 23SK06, "Strengthening the role of spending reviews in the budgetary process of Slovakia", 2023 – 2026.

[40] Najvyšší kontrolný úrad SR (NKÚ). Annual opinions on the draft state budget and sector compliance audits (state-supported rental housing, customs procedure 42, church financing). Audit portal: https://www.nku.gov.sk/.

[41] EAS, 2025. VAT Rate changes 1st of January 2025. Accessed at: https://help.easproject.com/hc/en-gb/articles/5025702587167-VAT-Rate-changes-1st-of-January-2025.

[42] VATCalc, 2026. Slovakia VAT updates 2026: rates reset, car VAT capped, e-invoicing on the way. Accessed at: https://www.vatcalc.com/slovakia/slovakia-2026-vat-update/.

[43] See European Commission, Syntesia, Poniatowski, G., Bonch-Osmolovsky, M., Śmietanka, A. et al., VAT gap in Europe – Report 2025, Publications Office of the European Union, Luxembourg, 2025, https://data.europa.eu/doi/10.2778/7868422.

[44] The national policy-driven VAT exemption gap represents the part of the VAT policy gap that can in principle be influenced by national policies on VAT exemptions. In practice, it consists of revenue forgone from services falling under Article 137 (such as real estate and certain financial services), from the SME scheme, and from national exemptions applied under standstill clauses or derogations. The VAT policy gap refers to the revenue lost due to the application of VAT exemptions and reduced, super-reduced, and zero VAT rates on selected products.

[45] The notional ideal revenue is the benchmark VAT revenue that assumes perfect taxpayer compliance in a situation where the current standard VAT rate is applied to all final consumption and household, government, and NPISH investment.

[46] The VAT rate gap refers to the portion of the VAT policy gap resulting from revenues lost due to the application of reduced, super-reduced, and zero VAT rates on selected products.

Tax simulations indicate that Slovakia's reduced VAT rates in 2025 were concentrated in a small number of consumption categories, led by 'food and beverages' ([47]). 'Food and beverages' accounts for the largest share of forgone revenues at 55.9%, well above the EU mean share of 39.8%. 'Restaurants and accommodation' come second at 28.4%, well above the EU mean share of 20.4%. 'Health' ranks third at 9.5%, below the EU mean share of 10.4%. These three categories account for 93.8% of Slovakia's total forgone revenue.

Slovakia's reduced VAT rates are estimated to lower inequality as measured by the Gini coefficient by 0.40 pps, below the EU average reduction of 0.50 pps. 'Food and beverages' contribute 0.29 pps (71.6% of the total), below the EU mean contribution of 0.32 pps.

3.3 Policy tax gaps in corporate income tax

CIT-related tax expenditures account for 8.7% of total tax expenditure in Slovakia. Forgone revenues from CIT-related provisions are estimated at EUR 296.5 million in 2025, equivalent to approximately 8.7% of the EUR 3.4 billion in total reported tax expenditures and around 0.3% of GDP. The framework comprises 20 CIT-related provisions. The largest CIT expenditures in 2025 are the tax assignation mechanism (EUR 111.6 million, shared with PIT) ([48]), thin-capitalisation rules (EUR 43 million), the R&D super-deduction (EUR 34.3 million), the participation exemption for qualifying business shareholdings (EUR 27.9 million), and investment-aid relief (EUR 11.9 million).

Changes over time have mostly been driven by changes in the benchmark. The historically largest item resulted from reduced rates for firms across turnover bands. Revenues forgone decreased from EUR 452.6 million in 2024 to EUR 72.5 million in 2025 due to recent CIT reforms.

Recent CIT reforms have mainly been driven by fiscal consolidation. While the preferential regime for SMEs was expanded through a broader eligibility threshold and a lower reduced CIT rate, Slovakia simultaneously increased the standard CIT rate for large companies and reintroduced minimum corporate taxation. These reforms suggest that recent CIT policy has sought to balance targeted support for SMEs with measures to increase corporate tax revenues.

3.4 Policy tax gaps in personal income tax

PIT-related tax expenditures are the second largest block of tax expenditures after VAT. Tax expenditures in PIT overall cause EUR 920.8 million of forgone revenues in 2025, about 27% of the reported total. 23 provisions are enumerated, but one single item is dominating. The child tax bonus, with forgone revenues of EUR 733.6 million in 2025, accounts for roughly 80% of all PIT-related revenue forgone. That figure is itself down sharply from EUR 1.29 billion in 2024, following

[47] The VAT rate gap is analysed here using EUROMOD's household consumption tool. No behavioural adaptation is considered. Note that VAT rates are mostly not an efficient tool for redistributive policies, in part due to incomplete pass-through to consumer prices, in part due to limited targeting of reduced rates. For more details on assessing the impacts of reduced VAT rates with EUROMOD, see Turrini et al. (2024), Tax Expenditures in the EU: Recent Trends and New Policy Challenges, European Commission, European Economy Discussion Paper 212; Ricci et al. (2026), Fiscal Costs and Redistributive Effects of Reduced VAT Rates in the EU, European Commission, European Economy Discussion Paper 244; Trzcinski and Amores (2026), The VAT Policy Gap and Redistribution in the European Union 2025, European Commission, Seville, JRC14876; and Annex A to this report (Methods, Data and Assessment Framework of the Country Fiches).

[48] Assignation lets a taxpayer direct a fixed percentage of the income tax they have already paid to a registered non-profit recipient, rather than that slice flowing to the state budget. The taxpayer's own liability does not change — they pay the same total tax either way. What changes is the destination of a small part of it. It is governed by §50 of the Slovak Income Tax Act (No. 595/2003).

the 2025 reform that tapers the bonus for higher-income earners, above 1.5 times the average wage. Other important PIT tax expenditures include the non-taxable personal allowance (EUR 39.5 million), the reduced 15% PIT rate for eligible self-employed persons (SZČO) (EUR 34.9 million), the preferential tax treatment of pensioners' income from work agreements (EUR 22.7 million), and the mortgage tax bonus (EUR 21.7 million). Smaller but still relevant provisions include the deductible item for low-income taxpayers (EUR 11.7 million) and the non-taxable allowance for supplementary pension contributions (EUR 11.5 million).

Recent PIT reforms have mainly focused on family support and fiscal consolidation. The child tax bonus was substantially expanded in 2022–2023, significantly increasing revenue forgone. From 2025 the scheme was redesigned by tightening income-related eligibility conditions and restricting the benefit to dependent children under 18 years of age, thereby improving targeting and reducing its budgetary cost. The maximum benefit also returned to EUR 100 per child per month following the expiry of the temporary increase to EUR 140 applicable in 2023 and 2024. Moreover, the non-taxable personal allowance mainly benefits low- and middle-income taxpayers, as its value is gradually reduced for higher-income individuals. This increases the progressivity of the PIT system while limiting the associated revenue forgone. The reduced 15% PIT rate for eligible self-employed persons remains an important tax expenditure supporting small businesses and entrepreneurship, while tax incentives for supplementary pension savings continue to encourage voluntary retirement savings, albeit at the cost of reduced PIT revenues.

Tax-simulations for 2025 suggest that PIT-related tax expenditures in Slovakia have a progressive effect ([49]). PIT-related tax expenditures imply revenue forgone equivalent to 27.4% of actual PIT revenues, well above the EU average of 19.1% ([50]). The largest share of revenue forgone arises from family-related tax expenditures (25.8% of PIT revenue). PIT-related tax expenditures reduce the Gini coefficient by 1 pps, substantially more than the EU average reduction of 0.46 pps. The relatively high revenue forgone is associated with a correspondingly large reduction in income inequality.

4. Effectiveness of tax administration

4.1 Registration/identification of taxpayers

Slovakia ([51]) employs a segmented tax identification system, with separate identifiers for direct taxes and VAT. Slovakia assigns a Tax Identification Number (DIČ) for PIT and CIT and a VAT Identification Number (IČ DPH) for VAT obligations ([52]).

[49] Simulations are based on EUROMOD and do not account for behavioural changes. For more details on assessing the impacts of tax expenditures in the PIT with EUROMOD, see Turrini et al. (2024), Tax Expenditures in the EU: Recent Trends and New Policy Challenges, European Commission, European Economy Discussion Paper 212; Leventi et al. (2026), Personal Income Tax Expenditures in the EU, European Commission, Seville, 2026, JRC148748; and Annex A to this report (Methods, Data and Assessment Framework of the Country Fiches).

[50] According to the European Commission's taxation trends data, PIT revenues in Slovakia amounted to approximately EUR 4.8 billion in 2024. This would imply revenue forgone of approximately EUR 1.3 billion due to PIT tax expenditures according to the microsimulation (27.4% of EUR 4.8 billion).

[51] Slovakia undertook the Tax Administration Diagnostic Assessment tool (TADAT) assessments in 2024-2025 under a TSI multi-country project with the IMF (together with CZ, MT, BG, EL and RO). This strategic project helped the participating MS identify areas for improvement which were then translated into objectives and reforms in a new strategic plan. The public report is available here: https://www.tadat.org/content/dam/tadat/en/assessments/Slovak_Republic_2024_TADAT_PAR.pdf.

[52] https://www.financnasprava.sk/.

Slovakia's tax registration system is highly digitalised, integrating online services with a unified administrative platform. E-registration is available via the Financial Administration portal, supported by extensive online guidance and a central register of tax entities. Taxpayers can access, visualise, and modify VAT-related data online. The system is underpinned by the Integrated Financial Administration System (ISFS-SD), which connects various tax administration modules and links to other financial administration systems ([53]).

Slovakia's e-commerce oversight combines enhanced data validation and tax-customs collaboration. The Financial Administration cross-checks VAT registration data against third-party sources and is preparing legislation to strengthen data exchange with other national bodies. Since 2012, the merged tax and customs administration (under the Ministry of Finance) enables consultation of customs databases in cases of suspected fraud, supporting integrated oversight ([54]).

Slovakia's VAT registration process includes risk-based verification using data mining modules to assess applicant risk levels. A specialized Field Workers Group conducts on-site inspections for high-risk applicants before registration approval. A 2026 amendment to the VAT Act further tightens registration conditions to combat fraud. Verification results and VAT registration cancellations are monitored and evaluated monthly, ensuring ongoing risk management. The system leverages analytical approaches developed from a pilot project to enhance detection accuracy ([55]).

Slovakia's VAT number qualification process usually takes a relatively long time, while the invalidation process is much quicker. Although Eurofisc fraud signals can trigger action, the Slovak qualification procedure overall remains relatively burdensome, and this may overall delay the swifter invalidation of suspected missing traders' VAT numbers needed to prevent further MTIC fraud. Slovakia reported constraints regarding auditor staffing that can affect timeliness of the qualification and invalidation processes overall.

4.2 Tax filing and assessment

Slovakia's tax system relies on digital filing. All submissions are processed electronically through the Financial Directorate portal, with mandatory e-filing for VAT payers, legal entities entered in the Commercial Register and natural persons (entrepreneurs) registered for income tax.

Slovakia does not offer pre-filled returns neither for income tax nor for value added tax - automation is limited to administrative verification based on substantive and logical validation. Only the Motor Vehicle Tax return is pre-filled. Instead, the system relies on data-supported filing, where taxpayers manually enter information, while the administration uses third-party data. VAT Control Statements enable near-real-time periodic reporting of transaction data for ex post administrative verification. They are submitted alongside VAT returns and allow cross-matching of data for control purposes.

[53] Findings based on Member States' annual reports (mostly 2025-2026) under Article 12, Regulation (EEC, Euratom) No 1553/89 (VAT own resources collection).
[54] Ibidem.
[55] Ibidem.

E-filing rates reflect uneven digital adoption. Slovakia achieves 100.0% VAT e-filing (above EU average) and 99.1% for CIT (exceeding EU levels), but PIT lags at 50.8% (well below the EU average of 88.4%) ([56]). This reflects near-universal business compliance but low individual uptake.

Slovakia offers various digital support tools including chatbot-based automation. The Personal Internet Zone (PIZ) provides a personalised portal for filing tax returns, tax accounts, and secure communication, alongside multi-channel support (web, in-person, contact centre). Taxpayers can access tax calculators, deadline notifications, and the TAXANA chatbot for basic inquiries.

Slovakia makes thorough use of data obtained through automatic exchange of information (AEOI) for the purposes of PIT. Information is exchanged under the Directive on administrative cooperation in the field of taxation (DAC) ([57]), i.e. DAC1 ([58]), DAC2 ([59]), and DAC7 ([60]). The identification of taxpayers concerned in Slovakia is very efficient and above the EU average: in 2025, the matching rate measuring success in identifying registered taxpayers with DAC data ([61]) is 92% for the main categories of DAC1 ([62]), 95% for DAC2, and 94% for DAC7, the EU-average being, 84%, 92% and 86%, respectively. This systematic approach ensures that data is used to its full potential, even if DAC7 data could also be used to identify undeclared economic activities through digital platforms for tackling possible VAT fraud. The TIN validation tool envisaged in the DAC recast proposal will further support the matching process with a view to approaching a 100% automatic matching rate, ultimately allowing for an even more efficient and targeted deployment of resources.

Once the taxpayers have been identified, the Slovak tax authorities use the available data for various activities. These include voluntary compliance programs, tax risk assessment to detect possible undeclared income ([63]), notification to generate disclosure and, if relevant, tax assessments or audits limited to specific categories of income or capital. Slovakia has put in place a robust monitoring system to estimate the benefits stemming from the use of DAC data and was able to document important increases in the tax base and tax assessed, leading to additional tax revenues.

[56] Findings based on Member States' annual reports (mostly 2025-2026) under Article 12, Regulation (EEC, Euratom) No 1553/89 (VAT own resources collection).
[57] Sources: Yearly Assessment 2026.
[58] Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC: automatic exchange of information on income from employment, pensions, director's fees, immovable properties, life insurance products, royalties.
[59] Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation: automatic exchange of information on financial accounts.
[60] Council Directive (EU) 2021/514 of 22 March 2021 amending Directive 2011/16/EU on administrative cooperation in the field of taxation: automatic exchange of information on income from digital platforms.
[61] The matching rate indicates to what extent a Member State has been able to identify their taxpayers in their national tax databases with information received from other Member States under the DAC. Such matching is necessary to ensure that the data can be used for tax compliance purposes. The matching rates mentioned in this report are based on the metrics approved by the tax authorities in the TADEUS meeting of December 2024.
[62] Income from employment, pensions, director's fees, immovable properties.
[63] Tax risk assessment is a key element of modern tax administration. It allows tax authorities to identify situations where specific taxpayers or arrangements may pose an increased risk to their jurisdiction and require further actions in terms of compliance. In general, EU tax authorities use automated methods based on domestic data and information received from other jurisdictions.

Slovakia has been very active in VAT administrative cooperation ([64]). In 2024, Slovakia sent 1 861 requests for information and received 1 193 requests ([65]). Based on a standardised measure, taking into account the relative size of the Slovak economy, Slovakia is significantly above the EU weighted average on both the number of requests sent and on the number of requests received ([66]).

Slovakia records limited results in automatic exchange of VAT information. In 2024, Slovakia reported 906 VAT identification numbers allocated to taxable persons not established in the Member State. For information on new means of transport, it has not forwarded any cases. Based on a standardised measure, taking into account the relative size of the Slovak economy, Slovakia is below the EU weighted average on VAT identification numbers allocated to taxable persons not established in the Member State ([67]).

4.3 Compliance risk management

Slovakia's compliance risk management (CRM) focuses on targeted enforcement without a formal strategy. The system lacks a structured compliance framework but uses specific measures like the 2026 expansion of the electronic sales reporting system and stricter cash payment rules to enhance transparency and combat fraud. Data sources include tax filings, financial statements, and third-party records (e.g. business registers).

Slovakia's artificial intelligence (AI) adoption in compliance risk management is emerging but still limited. Risk assessment relies on manual cross-checks of tax and financial data. The ATHENA project, once finalsied, will introduce AI and machine learning to improve analytics, including real-time electronic invoice analysis and in-depth data comparisons. Currently, AI applications are limited to supporting tax recovery (e.g. identifying debtors' assets and income) and taxpayer services (e.g. the TAXANA chatbot). Advanced uses like predictive risk modelling are not yet implemented, though future expansion is planned under the 2023–2026 digital strategy ([68]).

Slovakia uses behavioural insights to encourage timely tax corrections. The tax administration sends soft warning messages to taxpayers, flagging inconsistencies and prompting voluntary corrections. This approach fosters cooperative compliance while reducing the need for formal enforcement action ([69]).

---

[64] Based on Council Regulation (EU) No 904/2010 of 7 October 2010 on administrative cooperation and combating fraud in the field of value added tax (VAT), as subsequently amended, the EU and Member States' national tax authorities cooperate to help ensure the correct application of VAT rules on cross-border transactions.

[65] The data is assessed based on the annual statistics, provided pursuant to Commission Implementing Regulation 79/2012 (Annex IV) and presented to the Standing Committee on Administrative Cooperation (SCAC).

[66] The standardised measure normalises the number of requests per EUR 1 billion of GDP, allowing for comparison relative to the size of the economy. In 2024, Slovakia sent 14.29 requests per EUR 1 billion of GDP compared to an EU weighted average of 1.60 requests sent per EUR 1 billion of GDP; and received 9.16 requests per EUR 1 billion of GDP compared to an EU weighted average of 1.59 requests received per EUR 1 billion of GDP.

[67] The standardised measure normalises the number of requests per EUR 1 billion of GDP, allowing for comparison relative to the size of the economy. In 2024, Slovakia reported 6.96 VAT identification numbers allocated to taxable persons not established in the Member State per EUR 1 billion of GDP compared to an EU weighted average of 7.77 VAT identification numbers per EUR 1 billion of GDP.

[68] Findings based on Member States' annual reports (mostly 2025-2026) under Article 12, Regulation (EEC, Euratom) No 1553/89 (VAT own resources collection).

[69] European Commission: Directorate-General for Taxation and Customs Union, Mind the Gap – Challenges and opportunities for tax compliance and tax expenditures in the EU – Slovakia, Publications Office of the European Union, 2025, https://data.europa.eu/doi/10.2778/0770843.

Slovakia uses Central Electronic System of Payment (CESOP) data ([70]) manually for targeted VAT fraud investigations. Due to data quality issues, CESOP data is not integrated into the VAT system but is analysed during individual audits to detect fraud. Cross-checks with TNA, OSS/IOSS, taxpayer returns, and DAC7 data enhance risk detection, though automated use remains under development. The focus is currently on ensuring data accuracy ([71]).

Slovakia also uses reports exchanged automatically under the DAC, i.e. DAC3 ([72]), DAC4 ([73]) and DAC6 ([74]) for risk-analysis purposes in the field of CIT. The Slovak tax authorities identified successfully 99% of the entities concerned by DAC4 reports, the EU average being 94%. However, they did not communicate to the Commission services the matching rates concerning DAC3 and DAC6 data for 2025. Considering the limited number of reports received by Slovakia, and the consequent use of manual matching techniques, the lack of information on the number of identified taxpayers seems difficult to justify and should be addressed by the tax authorities. DAC3, DAC4 and DAC6 are broadly used for risk-assessment (e.g. to identify risks related to transfer pricing, base erosion and profit shifting, harmful tax practices, etc.) and possible follow-up actions as general tax audits. Moreover, DAC6 is used to identify possible legal loopholes, which is a good practice. This comprehensive use of the relevant data suggests that the Slovak authorities have implemented a coherent strategy. This approach could be further improved by communicating to the Commission services the matching rates for DAC3 and DAC6, in accordance with the DAC implementing regulation ([75]).

4.4 Audits

Slovakia's audit system combines early interventions with a broad range of post-filing activities. The administration uses a variety of pre-audit measures (see the behavioural tools discussed under 4.3), while for formal audits, it conducts desk audits, limited-scope audits, single-issue audits, comprehensive audits, and avoidance/evasion investigations, tailoring the approach to the complexity of compliance risks. In 2025, Slovakia further enhanced its audit efficiency by

[70] CESOP is an EU-wide system established under Directive (EU) 2020/284 to support the fight against VAT fraud in e-commerce. It requires payment service providers to report cross-border payment data on a quarterly basis to national tax authorities, which then transmit the information to CESOP. The system centralises and analyses this data, enabling Member States to detect undeclared online sales, identify fraudulent traders, and enhance administrative cooperation in combating cross-border VAT fraud.

[71] Findings based on Member States' annual reports (mostly 2025-2026) under Article 12, Regulation (EEC, Euratom) No 1553/89 (VAT own resources collection).

[72] Council Directive (EU) 2015/2376 of 8 December 2015 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation: automatic exchange of information on rulings and advanced pricing arrangements.

[73] Council Directive (EU) 2016/881 of 25 May 2016 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation: automatic exchange of information on country-by-country reports of multinational entities.

[74] Council Directive (EU) 2018/822 of 25 May 2018 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements.: automatic exchange of information on potentially tax-harmful cross-border arrangements.

[75] Commission Implementing Regulation (EU) 2025/2263 of 12 November 2025 amending Implementing Regulation (EU) 2015/2378 as regards the standard forms and computerised formats for the mandatory automatic exchange of information on reportable crypto-assets, the communication of the yearly assessment and the list of statistical data to be provided by Member States under Council Directive 2011/16/EU.

specialising auditors based on case complexity. Annual strategic planning focuses audits on high-risk sectors and emerging fraud trends, ensuring targeted enforcement ([76]).

Slovakia's Large Taxpayer Office (LTO) achieves strong results with limited staff. The LTO, representing just 2.9% of the total tax administration workforce, was responsible for over half (50.3%) of all tax revenue collected in 2024. This small team also contributed to collecting 26% of all audit revenue, showing how efficiently resources are focused on high-value taxpayers.

Slovakia is a regular user of advanced instruments of cooperation provided for in Directive on administrative cooperation in the field of taxation and Regulation 904/2010 to facilitate cooperation on specific cross-border VAT issues. Such instruments entail multilateral controls (MLCs) such as simultaneous controls, joint audits and presence in administrative offices and administrative enquiries (PAOEs). The synergies between participating Member States derived from these coordinated activities usually lead to an increase in the tax assessed and, therefore, contribute to reducing the compliance tax gap. Between 2023 and 2025 Slovakia has initiated 1 PAOE, and has participated in 8 MLC and 4 PAOE, representing respectively 1.5%, 2.7% and 3.1% of the total of these operations in the EU ([77]). However, Slovakia has not initiated any MLC.

4.5 Payment and collection

Slovakia achieves near-universal electronic tax payments and strong on-time performance. In 2024, 99.53% of tax payments were made electronically (vs. EU average: 94.9%). On-time payment rates also exceeded EU averages for CIT (93.4% vs. 89.8%), PIT (83.3% vs. 79.0%), and VAT (93.8% vs. 83.7%) ([78]).

Slovakia's VAT refund process balances speed with risk-based controls. Eligible taxpayers receive refunds within 30 days if registered for 12+ months, free of arrears and use a calendar month as their tax period. Analytical screening of VAT returns and recapitulative statements reduces fraud risks, while revised 2026 rules for late filings further strengthen enforcement ([79]).

4.6 Tax debt recovery

Slovakia continues to face significant challenges in tax debt recovery and enforcement. While some progress has been made in digitalising and automating tax recovery processes, the amount of tax arrears has decreased but only a small share of outstanding debts is considered collectible, mainly due to the absence of sizeable assets owned by debtors. To limit the possibility of taxpayer to transfer the assets and hence jeopardise recovery results, precautionary measures are applied duly to secure taxes not yet assessed (before and during tax audits).

[76] European Commission: Directorate-General for Taxation and Customs Union, Mind the Gap – Challenges and opportunities for tax compliance and tax expenditures in the EU – Slovakia, Publications Office of the European Union, 2025, https://data.europa.eu/doi/10.2778/0770843.
[77] EU AIAC Statistics -2023-2025.
[78] International Survey on Revenue Administration data. https://data.imf.org/en/datasets/ISORA:ISORA_LATEST_DATA_PUB.
[79] Findings based on Member States' annual reports (mostly 2025-2026) under Article 12, Regulation (EEC, Euratom) No 1553/89 (VAT own resources collection).

Tax arrears in Slovakia are below the EU average (30.7%), but the level of those considered collectible is rather low ([80]). In 2024 the level of outstanding tax arrears at the year-end has decreased to 13.4%, which continues the decreasing trend of the recent years. However, while the closing stock of collectible tax arrears, as percentage of the closing stock of arrears, has slightly increased from 6.2% in 2023 to 8.9% in 2024, it remains far below the EU average which is at 43.0% ([81]). These percentages suggest that the tax administration is facing challenges to collect the taxes owed ([82]).

In 2026 Slovakia adopted one-off tax amnesty, which encouraged taxpayers to settle old tax debts by waiving the associated penalties and late-payment interest.

Further efforts are needed to improve debt collection efficiency, address non-collectible arrears, and strengthen enforcement mechanisms. Low tax recovery performance, combined with low on-time payment rates, indicates scope for further improvements in ensuring that risk-based approaches and digital tools effectively support tax debt recovery.

Slovakia applies a uniform recovery framework to all types of taxes, which promotes simplicity, legal certainty and administrative efficiency. Recovery actions are based on the debtor's assets rather than the nature of the tax debt, reducing complexity and supporting taxpayer compliance. However, further improvements could be achieved through a more proactive and data-driven recovery approach, clearer policies for debt classification and write-offsetting. Slovakia does not have specific legislation on cooperation between the administrator of insolvency proceedings (i.e. the person who deals with the insolvency on behalf of the unpaid creditors) and tax (recovery) authorities. The position of an insolvency administration in respect to the tax administration processes is framed within the Tax Code, while the Act on Bankruptcy and Restructuring is used as *lex specialis*. The Slovak authorities do not collect taxes while a tax dispute is pending under administrative or judicial review ([83]).

Regarding cross-border recovery assistance within the EU, Slovakia submits compliant requests to other Member States. Slovakia's recovery requests to other Member States generally comply with requirements, focusing on well-established claims. Two recovery requests were suspended because of contestation of the claim in 2025, while 622 requests for recovery were sent to other Member States in the same year.

Slovakia has integrated AEOI data in its recovery strategy. Additionally, Slovakia uses information from DAC1, DAC2 and DAC7 for tax recovery purposes, which is considered as best practice.

[80] As part of its 2026 fiscal consolidation package, Slovakia introduced a temporary tax amnesty allowing taxpayers to settle historical tax arrears or regularise previously unfiled tax returns without incurring associated penalties or late-payment interest. The measure aimed to encourage voluntary compliance and accelerate the recovery of outstanding tax revenues.
[81] ISORA Data Tax Administration 2025 https://data.imf.org/en/datasets/ISORA:ISORA_LATEST_DATA_PUB.
[82] Non-collectible tax debts are kept in the books whereas in some administrations these are being written of.
[83] Information from Slovakia's replies to questions 34-36 to the 2025 Survey on recovery.