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Mind the Gap 2026: Country fiche – Slovenia

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

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Country fiche: Slovenia

Summary box: Areas of Strength and Areas for Improvement

Areas of Strength

- **Slovenia's VAT compliance gap was among the lowest in the EU in 2023, at 5% of the VAT Total Tax Liability.** Despite having fluctuated over time, it has fallen back to its 2019 level. Mandatory standardised B2B electronic invoicing, set to be introduced in 2028, is expected to help improve VAT compliance in the future.

- **Slovenia's tax administration performs well on risk management and arrears, with opportunities for further improvement.** For VAT compliance, Slovenia uses automated risk-based registration checks (e.g. data cross-verification) and real-time AI scoring of VAT returns to detect anomalies. E-commerce oversight is strengthened by a dedicated trader register and tax-customs data integration, while estimates of the VAT gap directly inform compliance strategies. On tax arrears, Slovenia performs well: 3.6% of revenue was in arrears (2024) and 53.4% was collectable (above the EU average of 43%), reflecting effective tax debt management, with the potential to further improve recovery rates.

Areas for Improvement

- **Slovenia does not regularly estimate or publish national tax gaps.** Slovenia has recently taken steps to strengthen its capacity to estimate compliance tax gaps, especially for corporate income taxation, but fails to produce regular compliance tax gap estimates, aside from its participation in the EU VAT gap exercise. Stepping up efforts to estimate compliance tax gaps would help make tax policy reforms and enforcement measures more targeted, especially given that some estimates point to a relatively large shadow economy.

- **Slovenia does not systematically evaluate the efficiency or effectiveness of tax expenditures.** While reviews and evaluations of tax expenditures, ideally conducted alongside those of social benefits, provide opportunities to broaden the tax base by reducing tax expenditures, no evidence of regular evaluation could be found. In addition, action in this area would help improve the efficiency of public spending, in line with the 2026 country-specific recommendation.

1. Introduction and policy context

1.1. Snapshot of the tax system

Slovenia's tax-to-revenue ratio remains close to the EU average, with consumption taxes losing weight in the tax mix at the expense of labour and capital taxes. Tax revenue (including social contributions) increased to 38.5% of GDP in 2024 (from 36.5% in 2023), 0.9 percentage points (pps) below the EU average ([1]). Labour taxes account for 52.0% of total revenue, having outpaced the EU average (51.5% in 2024) since 2021. The share of labour taxes in the tax mix could increase further in the near future, on the back of recent reforms such as mandatory contribution to long-term care. Around 5/6 of revenues from labour taxes come from social contributions. Consumption taxes represent 32.3% of total, still significantly above the EU average (26.8%), despite a declining trend over the last decade (39% in 2014). VAT is the main consumption tax and amount to 7.9% of GDP, 0.8 pps above the EU average. Capital taxes have still a relatively low share in the tax mix (15.7% of total, compared to 21.6% EU-wide), despite following a growing trend. Property taxes remain underutilised (0.7% of GDP, compared to 1.8% EU-wide).

The tax wedge is high in Slovenia, particularly for low-income earners. The tax wedge ([2]) is above the EU average across all the income distribution, particularly among lower earners, which generates disincentives for labour market participation of low-skilled workers. An earner of 50% of the average wage has a tax wedge of 41.4%, circa 10 pps above the EU average. This is the result of social contributions being levied at a flat rate of 38% with no ceiling, while PIT structure is progressive. Earners of 100% of the average wage have a tax wedge of 45.6% (5.6 pps above the EU average), and earners of 167% of the average have a tax wedge of 48.9% (4.8 pps above the EU average). At 7.5 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 clearly below the EU average (12.5 pps). The tax and benefit system reduced the Gini coefficient by 8.3 pps in 2024, slightly above the EU average (7.8 pps) ([3]). The income quintile share ratio (S80/S20), as a measure of income inequality ([4]), was 3.55 in 2025 (income reference year 2024), largely below the EU average (4.62). Likewise, the at-risk-of-poverty and social exclusion -AROPE rate ([5]) is, at 15.5%, among the lowest in the EU (20.9% on average).

[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 38.7% 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 of the European Commission. Unless indicated differently, values indicated in this country fiche refer to single earners.

[3] 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.

[4] 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%.

[5] 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, Slovenia has received the following country-specific recommendations (CSRs) in the area of taxation ([6]):

- *Rebalance tax revenues towards more growth-friendly and sustainable sources. Improve the efficiency of public spending, in particular by implementing spending reviews in the largest spending areas.*

1.2. Tax complexity and simplification measures

1.2.1. Measures of tax complexity

Slovenia's tax system appears moderately complex overall, though citizen experience is generally positive. Survey-based evidence from the Tax Complexity Index (TCI), which is focused on the corporate income tax system, places Slovenia at the bottom of the EU distribution, ranking 26th among Member States. The underlying components of the TCI suggest that complexity arises somewhat more from the tax code than from administrative procedures ([7]). Citizen perceptions, in turn, are relatively positive: 53% of respondents report that completing their tax return is easy, above the EU average of 49%, while reliance on professional assistance is exceptionally low at 1% ([8]).

Legislative activity appears relatively limited in recent years. Slovenia recorded 8 tax changes entering into force or announced in 2025, below the EU average of around 14 ([9]). Previous years saw 17 tax changes in 2024, 8 in 2023 and 9 in 2022. In each year, legislative activity remained below the corresponding EU average, suggesting a relatively stable tax policy environment. Several reforms adopted in 2025 concern personal taxation, social security contributions and targeted investment incentives. These include a reform of the flat-rate taxation regime for self-employed taxpayers, the introduction of a 0% corporate income tax rate for certain regulated investment funds and real estate investment companies, as well as the introduction of individual investment accounts benefiting from preferential capital income taxation. While the number of reforms is relatively modest by EU standards, the introduction of new targeted tax regimes and adjustments to existing provisions may nevertheless create adaptation costs for affected taxpayers and businesses in the short run.

Demand-side indicators are consistent with relatively limited reliance on specialised tax and accounting expertise. The accounting, bookkeeping and tax consultancy sector accounts for around 0.6% of gross operating surplus, below the EU average of 0.9% ([10]). While this indicator is

[6] https://data.consilium.europa.eu/doc/document/ST-11136-2026-INIT/en/pdf

[7] 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).

[8] European Commission (2025), Flash Eurobarometer 562: Citizens' attitudes towards taxation, fieldwork conducted between 9 and 17 April 2025. Available at: https://europa.eu/eurobarometer/.

[9] The information is based on the tax measures reported by national administrations in the Joint OECD-European Commission Annual Tax Policy Reform Questionnaire, by aggregating and processing the responses received to the 2026 questionnaire. Responses to the 2026 questionnaire are relative to tax policy measures self-reported by the Member States that were implemented, legislated, or announced in each country between 1 January and 31 December 2025. While comprehensive, the list of tax measures is non-exhaustive.

[10] 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.

influenced by several factors, it does not point to a particularly sizeable professional services sector or unusually strong demand for specialised tax and accounting expertise ([11]). Overall, the evidence suggests that Slovenia combines moderate structural complexity with comparatively accessible filing procedures and limited compliance burdens for taxpayers.

1.2.2. National simplification efforts

Some provisions included in the Act on Intervention measures for the Development of Slovenia, if implemented, are expected to reduce compliance burdens. The Act on Intervention measures for the Development of Slovenia (*Zakon o interventnih ukrepih za razvoj Slovenije*, or ZIURS) was adopted in May 2024 but it is not yet in force, pending a legislative referendum which has been scheduled on 6 December 2026 ([12]). In particular, the Act revises the simplified tax regime based on deemed expenses for self-employed persons. The changes would make it easier to enter the simplified tax regime and remain in it, given higher thresholds, with deductible percentages of deemed expenses depending on the level of personal business income and the taxpayers' insurance statutes. The new threshold for inclusion in the system has been increased to EUR 150 000 of revenue for fully insured self-employed individuals (from EUR 60 000) and to EUR 70 000 for others (from EUR 30 000). A flat tax rate of 20%, in force as of 1 January 2026, has replaced the progressive ones of 20% and 35%.

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 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 ([13]). 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 ([14]) allow to estimate the size of the non-observed economy (NOE) in Slovenia at 7.5% of GDP for 2023. The NOE comprises the underground economy (4.1%), statistical deficiencies (1.7%) and informal economy (1.4%), while

[11] 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.

[12] The Fiscal Council of Slovenia published an Analysis of the fiscal effects of the Intervention Measures for Slovenia's Development Act in September 2026.

[13] 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.

[14] 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)..

illegal economy represents only 0.24% of GDP. Slovenia thus records a NOE in line with the EU average (7.4% of GDP) ([15]). The largest part of non-observed economy is concentrated in 'Professional, scientific and technical activities' (1.8% of total GVA), 'Manufacturing' (1.7%), and 'Wholesale and retail trade' (1.2%). At industry level, the highest shares of NOE are presented by 'Activities of households as employers' (100% of its GVA), 'Other service activities' (32.7%), 'Professional, scientific and technical activities' (25.5%) and 'Construction' (22.6%).

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 Slovenia are higher than the non-observed economy estimate discussed above. In 2022, the shadow economy in Slovenia represented 22.2% of GDP, according to estimates by Schneider and Asllani for the European Parliament ([16]). This ratio is 4.5 percentage points above the EU-27 average and it has decreased compared to 2003 (26.7% of GDP). The report also indicates that indirect taxes and self-employment are the main drivers of the shadow economy in Slovenia. Several other studies provide estimates of similar magnitude for the size of the shadow economy ([17]). However, using a currency demand approach (CDA), a recent study by EY ([18]) reports lower estimates for the Slovenian shadow economy at 8% of GDP in 2023 (EU average 7.9%), down from 13.2% in 2000 (EU average 13.2%).

2. Compliance tax gaps

2.1 Overview

Slovenia is not among the EU Member States that officially estimate or publish national tax gaps. Slovenian authorities do not publish a formal tax gap estimate by tax type or a consolidated total tax gap using a documented bottom-up or top-down methodology. Selected activities relevant to tax gap assessment include the participation in the EU VAT gap exercise. Slovenia has also benefitted from the EU Technical Support Instrument (TSI) to advance its tax gap estimation capabilities.

2.2 Compliance tax gaps in VAT

For 2023, the VAT compliance gap ([19]) in Slovenia was estimated at around 5% of the VAT Total Tax Liability (VTTL) ([20]), or approximately EUR 250 million. After falling from around 5% in 2019 to 3% in 2021, it increased sharply to over 8% in 2022, before falling again in 2023 back to the 2019 level ([21]). Slovenia's VAT compliance gap remained below the EU average of 9.5% in 2023. This decline was linked to a decrease in the share of services in GDP, including a reduction in the growth in consumption of hard-to-tax service categories (such as recreation, restaurants and

[15] The (unweighted) EU average does not include Luxembourg, which has not sent data to EUROSTAT.
[16] 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.
[17] See Fernandes op. cit. (2025) for an overview of various studies.
[18] 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
[19] The VAT compliance gap is an estimate of revenues lost due to VAT fraud, evasion and avoidance, bankruptcies and financial insolvencies, or miscalculations.
[20] 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.
[21] 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.

accommodation) and a fall in the growth of tourism. Ongoing digitalisation of the tax administration, including AI-based risk analysis and mandatory e-filing, aims to strengthen VAT compliance in the future.

Several current and planned measures aim to improve VAT compliance. Since mid-2025, VAT-registered businesses must submit digital sales and purchase ledgers alongside periodic VAT returns via the eDavki portal. Furthermore, submitting transaction ledgers at least three working days prior to the deadline allows authorities to pre-fill VAT returns automatically ([22]). In addition, a system of real-time fiscal verification for cash transactions, applicable to all businesses making cash sales, has been in place since 2016, whereby the cash register system sends invoice data to the tax authority and obtains a unique verification code before printing the receipt. Standardised B2B electronic invoicing is set to become mandatory in 2028 ([23]).

2.3 Compliance tax gaps in corporate and personal income tax

Slovenia does not estimate or publish PIT compliance gap. Estimating PIT compliance gaps could help policy makers understand the nature and magnitude of the problems related to PIT tax collection. In addition, measuring and monitoring compliance tax gaps can support tax administration in assessing the effectiveness of their tax policy actions.

Slovenia has recently taken steps to improve its operational processes, strengthen tax compliance and counter tax evasion related to CIT. To this purpose, the Financial Administration of the Republic of Slovenia (FURS) received technical support, delivered by the International Monetary Fund (IMF), under the TSI ([24]). The project included the application of the IMF's Revenue Administration – Gap Analysis Program (RA-GAP) to estimate the CIT gap of non-financial corporations in Slovenia ([25]). The RA-GAP methodology for CIT gap is based on a top-down approach, which estimates the potential tax base and liability from macroeconomic data. The methodology was applied to available macroeconomic data from 2011 to 2020, using two different approaches.

According to the IMF analysis, the bulk of the gap appears to be in the manufacturing sector. The IMF study provides estimates for one component of the CIT compliance gap, namely the assessment gap ([26]). The estimates for the assessment gap indicate there may have been an increase in 2012 compared to the previous year, and then a decline from 2012 to 2019. The results for 2020 diverge based on the approach used, with the average result pointing to an assessment gap of around 14.6% of potential CIT in 2020. The model suggests that the bulk of the gap is in the manufacturing sector (in particular, in the automotive vehicle and vehicle parts sector) followed by the trade sector, although the high margin of errors warrants caution in interpreting the results.

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[22] Fintua, 2025. Slovenia introduces Sales and Purchase Ledgers for VAT reporting. Accessed at: https://fintua.com/blog/slovenia-reports/.

[23] VAT Update, 2025. Briefing document & podcast: e-invoicing and e-reporting in Slovenia. Accessed at: https://www.vatupdate.com/2025/11/10/briefing-document-e-invoicing-and-e-reporting-in-slovenia/.

[24] https://reforms-investments.ec.europa.eu/technical-support-instrument-0/revenue-administration-and-public-financial-management/improving-administration-corporate-income-tax-slovenia_en

[25] International Monetary Fund. Fiscal Affairs Dept. "Republic of Slovenia: Technical Assistance Report-Revenue Administration Gap Analysis Program- Corporate Income Tax Gap", IMF Staff Country Reports 2023, 109 (2023), accessed October 10, 2025, https://doi.org/10.5089/9798400236457.002

[26] The study defines the compliance gap as composed of both an assessment gap and a collection gap, where the collection gap is the difference between assessed and actual CIT, while the assessment gap is the difference between assessed and potential CIT.

European Commission estimates indicate that the CIT compliance gap in Slovenia is near the EU average. Based on a methodology developed by the Joint Research Centre which relies on a top-down approach using national accounts data and estimates of the non-observed economy produced by national statistical offices, the CIT compliance gap of Slovenia is estimated at around 9.4% of collected CIT revenues based on 2023 data ([27]). 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 9.6% in 2017, this indicates a small decline over time and a level near the EU average.

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.

In Slovenia, the Ministry of Finance, in cooperation with the Financial Administration, carries out ad hoc estimates of the excise gap. It also conducts regular assessments of excise duty revenues and, where deviations are identified, seeks to determine and explain the underlying causes. These analyses are not publicly available. Further, the country demonstrates an interest in strengthening EU cooperation on excise matters through its participation in the FISCALIS project group on Excise gap and Risk.

There is currently no public information suggesting that Slovenia estimates other compliance tax gaps. No official estimates or regular monitoring exercises appear to exist for compliance gaps related to other taxes.

3. Policy Tax Gaps

3.1 Tax expenditure reporting and evaluation

Slovenia provides information on revenue forgone from tax expenditure in an annual report on tax expenditure. This report, prepared by the Ministry of Finance as part of the annual budget accounts for the year preceding the previous year and submitted to the Slovenian Parliament in line with Article 64a(2) of the Public Finance Act, monitors and publishes the type and size of tax expenditures in PIT, CIT, excise duties, VAT and taxes on motor vehicle traffic ([28]).

According to the most recent 2023 Report, tax expenditures amounted to EUR 3.3 billion or 5.2% of GDP in 2023, a 0.1 percentage points increase compared to the previous year. PIT exemptions and reliefs are the largest contributor amounting to EUR 1.5 billion or 2.3% of the

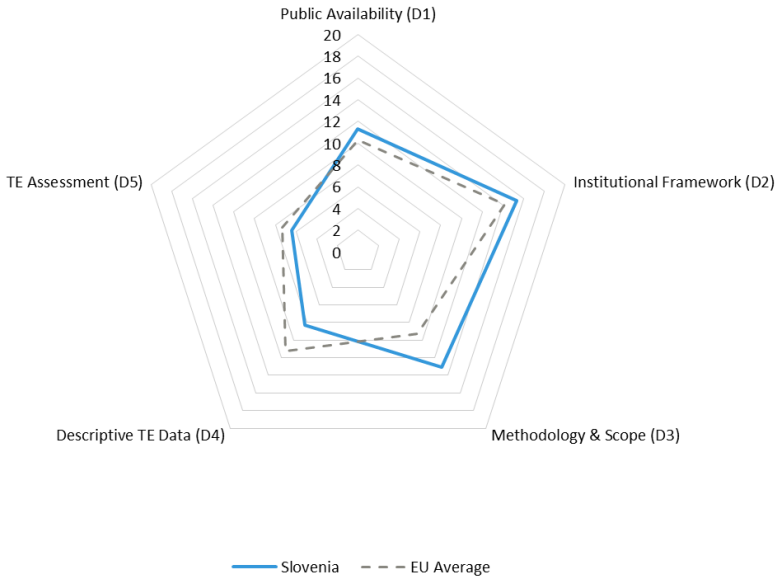
[27] European Commission estimates are based on a top-down methodology for approximating CIT compliance gaps using national accounts data. The approach relies on exhaustiveness adjustments made by national statistical offices to Gross Operating Surplus, Gross Value Added and Gross Domestic Product in 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).

[28] The Reports on tax expenditure available at: Direktorat za sistem davčnih, carinskih in drugih javnih prihodkov | GOV.SI

GDP. VAT relief is the second largest item, amounting to EUR 1.1 billion or 1.7% of the GDP ([29]). These are followed by CIT reliefs and incentives (at EUR 491 million or 0.8% of the GDP) and excise duties refunds and exemptions (at EUR 182 million or 0.3% of the GDP). The report provides detailed information about the number of taxpayers profiting from specific provisions. Data limitations and methodological difficulties do not allow to quantify all relevant provisions. The report however does not provide details about the share of provisions quantified.

Compared to other Member States, tax expenditure reporting in Slovenia shows room for improvement (overall ranked 14th). According to the Global Tax Expenditures Transparency Index (GTETI) analysis, transparency in tax expenditure reporting in Slovenia 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 ([30]). Maximum value for each dimension is 20. Slovenia performs above the EU average on Methodology and Scope (13.07 vs 9.28). Slovenia is on par with the EU average on Public Availability and Institutional Framework and Tax Expenditure Assessment. However, Descriptive Tax Expenditure Data is below the EU average (8.27 vs 11.28), indicating no information on legal duration or sunset clauses. The strong performance on Methodology and Scope reflects benchmark specification, treatment of structural provisions, detailed estimation methodology, data source disclosure.

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



Source: GTETI v2.1.

[29] These figures differ from the estimates of the VAT rate gap and national policy-driven VAT exemption gap produced under DG TAXUD's VAT gap in Europe study and presented in section 3.2. This is due to differences in the methodology applied.

[30] 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.

Slovenia does not systematically evaluate the economic efficiency or necessity of tax expenditures. Slovenian authorities acknowledge that appropriate tax policy based on reviews and evaluations provides opportunities to broaden the tax base by reducing tax expenditures. Reducing tax allowances was recently recommended by the OECD as a way to promote fiscal savings in Slovenia ([31]). A reduction in tax expenditures can simultaneously ensure increases in public revenue, efficiency, transparency and fairness of the tax system ([32]).

3.2 Policy tax gaps in VAT

Slovenia has introduced a number of changes to VAT rates in recent years. These include a shift in 2025 from reduced rates to the standard 22% rate for sugar syrups and sweetened or carbonated beverages with added sweeteners to promote public health, while maintaining the reduced 9.5% rate for natural fruit juices, unsweetened mineral waters, and regular non-alcoholic milk and water products ([33]). The small business VAT registration threshold was raised in 2025 to EUR 60 000 ([34]). Furthermore, the Act on Intervention Measures for the Development of Slovenia (*Zakon o interventnih ukrepih za razvoj Slovenije*, or ZIURS), adopted in May 2026 but not yet in force (see Section 1.2.2), aims to introduce a new 5% VAT rate – from 9.5% – on 15 basic food categories and temporarily apply a 9.5% VAT rate on electricity, gas, district heating, and firewood for nine months.

Revenues forgone due to the application of reduced rates and national policy-driven exemptions reached over EUR 2.5 billion in 2023 ([35]). The national policy-driven VAT exemption gap ([36]) was estimated at around EUR 1.4 billion in 2023, or 13% of the notional ideal revenue ([37]), while the EU average was 11%. The VAT rate gap ([38]) was estimated at around EUR 1.3 billion in 2023, or 12% of the notional ideal revenue, in line with the EU average of 12%.

Tax-simulations for 2025 indicate that Slovenia's reduced VAT rates are concentrated in a small number of categories, led by 'food and beverages' ([39]). 'Food and beverages'

[31] OECD (2026), OECD Economic Surveys: Slovenia 2026, OECD Publishing, Paris, https://doi.org/10.1787/9189105b-en.
[32] Slovenia's Tax Expenditure report 2023, in Slovenian.
[33] VAT Update, 2025. Slovenia updates VAT rates: Impact on beverages and foodstuffs from January 2025. Accessed at: https://www.vatupdate.com/2025/02/03/slovenia-updates-vat-rates-impact-on-beverages-and-foodstuffs-from-january-2025/.
[34] VAT Update, 2025. Slovenia's 2025 VAT changes: New thresholds, reporting requirements, and e-invoicing mandates. Accessed at: https://www.vatupdate.com/2025/07/01/slovenias-2025-vat-changes-new-thresholds-reporting-requirements-and-e-invoicing-mandates/.
[35] 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.
[36] 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.
[37] 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.
[38] 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.
[39] The VAT rate gap in this subsection is analysed 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

accounts for the largest share of forgone revenues at 47.0%, above the EU mean share of 39.8%. 'Restaurants and accommodation' come second at 23.6%, above the EU mean share of 20.4%. 'Recreation, sport and culture' ranks third at 11.3%, below the EU mean share of 13.3%. These three categories account for 81.9% of Slovenia's total forgone revenue.

Slovenia's reduced VAT rates lower inequality as measured by the Gini coefficient by 0.41 pps, below the EU average reduction of 0.50 pps. 'Food and beverages' contributes 0.28 pps (67.7% 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 are estimated at EUR 491 million, around 0.8% of GDP. Such figure is rather modest compared to PIT and VAT related ones. The largest part of CIT-related tax expenditure in 2023 related to the investment allowance at EUR 183 million, followed by the use of retained tax losses at EUR 171 million and by the R&D tax allowance at EUR 59 million.

3.4 Policy tax gaps in personal income tax

PIT-related tax expenditures are at EUR 1.5 billion the largest category of quantified tax expenditures in Slovenia. The largest expenditure is exempt personal income under Articles 20 to 34 of the Personal Income Tax Act, such as e.g. specific health and social welfare benefits in kind or money, specific child allowances and child care alimonies, payments for disability paid from obligatory pension and disability funds, scholarships granted by state or financed by the state, insurance payments and damage indemnities, subject to certain conditions, specific indemnity payments, etc, accounting for EUR 322 million, followed by the exemption of a holiday payment (i.e. a holiday allowance) at EUR 318 million, allowance for dependent children at EUR 294 million and additional general allowance at EUR 284 million, for the 2023 tax year ([40]). The general tax allowance is not taken into account in these calculations, as it applies to all taxpayers subject to PIT.

The effects of tax expenditures and social benefits could be reviewed jointly to assess their combined impact and efficiency. The European Commission 2026 Country Report for Slovenia ([41]) and a recent OECD Report on family benefit in Slovenia ([42]) underlined the fragmentation of the Slovenian family support system, which is split between child benefits, large family benefits and tax allowances, and might create inactivity traps for certain categories ([43]). A previous OECD's economic survey of Slovenia ([44]) noted that the personal income tax base is relatively narrow because of exemptions and special tax provisions. PIT exemptions related to commuting, meals and performance pay were mentioned as potential candidates for raising tax revenues. It was further suggested to reduce disincentives to work for second earners by replacing tax allowances with an earned income tax credit or through tax adjustments.

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).

[40] Report on tax expenditure in 2023 (in Slovenian)

[41] 2026 Country Report - Slovenia

[42] Harmonising family benefits in Slovenia

[43] See also the Report on Disposable Income 2025 prepared by the Department of Analysis and Development at the Ministry of Demography, Family and Social Affairs.

[44] OECD Economic Surveys: Slovenia 2024.

Tax-simulations for 2025 suggest that PIT-related tax expenditures have negligible distributional implications in Slovenia overall ([45]). PIT-related tax expenditures included in the analysis were estimated to imply revenue forgone equivalent to 22.9% of actual PIT revenues, well above the EU average of 19.1% ([46]). The largest share of revenue forgone arises from pensions-related tax expenditures (13.6% of PIT revenue). The tax expenditures were estimated to slightly increase income inequality. Family-related tax expenditures reduce the Gini by 0.15 pps while pension-related tax expenditures, increase the Gini coefficient by 0.14 pps. Tax expenditures with regressive distributional implications could serve policy objectives other than redistribution ([47]).

4. Effectiveness of tax administration

4.1 Registration/identification of taxpayers

Slovenia employs a largely unified tax identification framework, where individuals and legal entities use a single tax number issued by the Financial Administration of the Republic of Slovenia (FURS) for PIT and CIT. For VAT, the identifier is based on the same tax number, typically prefixed with *SI* for intra-EU transactions, ensuring consistency across tax types.

Slovenia's VAT registration system is fully digitalised, combining user-friendly tools with robust data management. Taxpayers can access the eDavki portal and mobile app to file, view, and modify VAT-related data. The system uses life and business event triggers to guide users, supported by a chatbot, social media updates, and clear website instructions. The taxpayer database is maintained through systematic reviews and corrections, with accounting systems interfacing across FURS subsystems to ensure data accuracy ([48]).

Slovenia's e-commerce oversight relies on a dedicated trader register and integrated tax-customs data for enhanced compliance. Slovenia maintains a dedicated register for e-commerce traders and performs preliminary One Stop Shop (OSS) registration checks. The merged tax and customs administration (since 2014) enables cross-checks between import/export declarations (e.g. customs procedure 42) and VAT filings (RP-O reports). Customs officers with

[45] 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).

[46] According to the European Commission's taxation trends data, PIT revenues in Slovenia amounted to approximately EUR 3.6 billion in 2024. This would imply revenue forgone of approximately EUR 0.8 billion due to PIT tax expenditures according to the microsimulation (22.9% of EUR 3.6 billion).

[47] TEs are employed with a broad range of policy objectives. The fact that a given TE might have a regressive distributive effect does not imply that it does not successfully implement its stated objective.

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

TNA ([49])/CESOP ([50]) access support fraud detection, while mobile inspection units conduct on-site verification ([51]).

Slovenia's risk-based registration uses automated strategies and data cross-checks to detect VAT compliance risks. Slovenia employs two automated detection strategies to identify potential VAT payers. The first monitors tax-certified invoices over 12 months, flagging taxpayers exceeding VAT registration thresholds (excluding public-interest exemptions). The second targets turnover fragmentation, analysing tax cash register data to detect linked companies artificially splitting turnover to avoid VAT, using indicators like shared premises or operators. These strategies, developed with SAP Fraud Management and external support, integrate third-party data cross-checks to ensure robust risk assessment. The system uses tax-customs data flows for cohesive compliance oversight ([52]).

In relation to the VAT registration control framework, there is potential to improve timeliness and cross-border cooperation. In Slovenia, timelines usually required for VAT identification number qualification and invalidation are rather lengthy, although the number of Eurofisc risk signals is limited. Also, under Slovenian legislation and practice, no provisional suspension after qualification is possible and risk signal information is not shared with other Member States until formal invalidation, which further negatively impact on cross-border fraud detection.

4.2 Tax filing and assessment

Slovenia's tax system is fully digitalised, with real-time reporting limited to cash transactions. The FURS uses secure online platforms for submissions, taxpayer identification and compliance management. All PIT, CIT, and VAT filings are processed electronically through the *eDavki* portal. VAT filings are fully digital, PIT and CIT benefit from structured digital reporting and interoperability via the National Interoperability Framework (CIO). Real-time integration is limited to specific sectors (e.g. cash invoice reporting since 2016), No universal B2B e-invoicing or continuous transaction controls exist, and VAT reporting relies on periodic submissions with transaction-level checks via the VAT ledger system.

Slovenia pre-fills PIT returns. The *eDavki* portal auto-populates PIT returns with employer, bank, and register data, allowing taxpayers to confirm drafts. VAT payers can view and modify their data online. While real-time cash invoice reporting (since 2016) and VAT ledger systems support backend verification, these do not enable taxpayer-facing automation for VAT.

E-filing rates show almost full compliance across all tax types. Slovenia achieves 100% e-filing for CIT and VAT in 2024, with PIT at 98.6% - all exceeding EU averages ([53]). This reflects near-

[49] TNA (Transaction Network Analysis): Eurofisc's electronic tool for the rapid exchange and joint analysis of VAT data to detect suspicious cross-border VAT fraud networks.
[50] 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.
[51] Findings based on Member States' annual reports (mostly 2025-2026) under Article 12, Regulation (EEC, Euratom) No 1553/89 (VAT own resources collection).
[52] Ibidem.
[53] International Survey on Revenue Administration data. https://data.imf.org/en/datasets/ISORA:ISORA_LATEST_DATA_PUB

universal digital adoption. The consistent high rates indicate a mature digital infrastructure and strong taxpayer compliance.

Slovenia provides comprehensive digital tax tools without advanced automation. The eDavki portal offers tax calculators, deadline extensions, secure messaging, and personalised accounts, with multi-channel support (web, in-person, contact centre) to reduce in-person visits. However, AI tools do not seem to be standardised.

Slovenia makes thorough use of data obtained through the automatic exchange of information (AEOI), under the Directive on administrative cooperation in the field of taxation (DAC) ([54]), i.e. DAC1 ([55]), DAC2 ([56]), and DAC7 ([57]), for the purposes of personal and corporate income taxation, inheritance and wealth taxation, social security contributions, and VAT where relevant. The identification of taxpayers concerned in Slovenia is very efficient and above E.U. average: in 2025, the matching rate measuring success in identifying registered taxpayers with DAC data ([58]) is 99% for the main categories of DAC1 ([59]), 100% for DAC2 and 98% for DAC7, the EU average being 84%, 92% and 86% respectively. In this respect, the TIN validation tool envisaged in the DAC recast proposal will support the matching process to approach a 100% automatic matching rate and eliminate manual matching, ultimately allowing Slovenia a more efficient and targeted deployment of resources.

Once the taxpayers have been identified, Slovenian tax authorities use the available data for a large range of activities These include awareness campaigns, tax risk assessment to detect possible undeclared income ([60]), notification to generate disclosure and, if relevant, tax assessments or general audits. In Slovenia, this use is not only relevant for personal income tax or social security contributions, but also for assessing corporate taxation and VAT, as tax authorities take into account the most recent exchange of information on income from digital platforms (DAC7). Slovenia also monitors the fiscal impact of these activities, the use of DAC data leading to significant additional tax revenues.

Slovenia shows relatively high activity in VAT administrative cooperation ([61]). In 2024, Slovenia sent 304 requests for information, representing a decline from 2023 (-18.5%) ([62]). It

[54] Sources: Yearly Assessment 2026

[55] 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.

[56] 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.

[57] 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

[58] 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.

[59] Income from employment, pensions, director's fees, immovable properties.

[60] 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.

[61] 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.

[62] 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).

received 306 requests. Based on a standardised measure, taking into account the relative size of the Slovenian economy, Slovenia is above the EU weighted average on both the number of requests sent and the number of requests received ([63]).

Slovenia combines high results in automatic exchange of VAT information with limited use of other cooperation channels. In 2024, Slovenia reported 845 VAT identification numbers allocated to taxable persons not established in the Member State. For information on new means of transport, it forwarded 308 cases. Based on a standardised measure, taking into account the relative size of the Slovenian economy, Slovenia is above the EU weighted average on VAT identification numbers allocated to taxable persons not established in Slovenia and the volume of information on new means of transport ([64]).

4.3 Compliance risk management

Slovenia operates a formal compliance risk management (CRM) strategy, though its scope is currently limited to audit and verification. The system integrates diverse data sources, including tax returns (CIT, VAT, PIT), e-invoicing, third-party reports (employers, banks, payroll records), customs and intra-EU trade data, business registers, and financial statements, enriched with audit results, arrears history, and cross-border information exchanges. While the strategy enables identification, assessment, and prioritisation of risks, Slovenia does not publicly disclose risk assessments or enforcement outcomes ([65]).

Slovenia uses AI to score VAT returns in real time. The system employs a machine-learning model with 158 features derived from taxpayer historical data to calculate a risk score (0–1) for each VAT return, where higher scores indicate greater compliance risk. Certain VAT returns for which no further checks are triggered may also be assigned to officials for review due to the risk level assigned by the artificial intelligence system. Even returns passing automated checks may be flagged for review based on AI risk levels. The system assesses return-level risk, not taxpayer profiles ([66]).

Slovenia explores behavioural tools to encourage compliance, though their use remains experimental. The tax administration tests nudging tools, adapting communication to guide taxpayers toward compliance ([67]).

Slovenia also uses reports exchanged automatically under the DAC, i.e. DAC3 ([68]), DAC4 ([69]) and DAC6 ([70]) for risk-analysis purposes in the field of corporate income

[63] 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, Slovenia sent 4.52 per EUR 1 billion of GDP requests compared to an EU weighted average of 1.60 per EUR 1 billion of GDP; and received 4.54 requests per EUR 1 billion of GDP compared to an EU weighted average of 1.59 requests per EUR 1 billion of GDP.

[64] 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, Slovenia reported 12.53 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; and new means of transport 4.57 requests per EUR 1 billion of GDP compared to an EU weighted average of 0.95 new means of transport per 1 EUR billion of GDP.

[65] European Commission: Directorate-General for Taxation and Customs Union, Mind the Gap – Challenges and opportunities for tax compliance and tax expenditures in the EU – Slovenia, Publications Office of the European Union, 2025, https://data.europa.eu/doi/10.2778/9296422.

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

[67] https://taxadmin.ai/country/slovenia-ai-country-report/

taxation. The Slovenian tax authorities identified successfully 100% of the taxpayers or entities concerned by DAC3 and DAC4, and 86% of the taxpayers concerned by DAC6 reports (EU average being 98%, 94% and 90% respectively). While the matching process for DAC6 data available in Slovenia does not enable automatic matching, all the reports available in the central directory are assessed by the tax authorities. In practice, these reports are used for identifying tax risks (e.g. transfer pricing, base erosion and profit shifting, harmful tax practices, etc.) and risk of non-compliance by certain entities, followed up by tax audits, where relevant. This comprehensive use of the relevant data suggests that the Slovenian authorities have successfully integrated it into an efficient process.

Slovenia's Central Electronic System of Payment Information (CESOP) use evolved, adopting structured analysis despite data limitations. National guidelines now define how officials analyse CESOP data to identify high-risk taxpayers (such as OSS registrants) and recommend them for audits. Issues with data completeness (e.g. missing or inaccurate payment provider reports) still limit full integration, but Slovenia plans to conduct compliance checks to improve data quality. The system also connects CESOP data with Slovenia's tax databases and other international data sources (e.g. Transaction Network Analysis) to better detect cross-border risks ([71]).

VAT gap estimates directly inform compliance strategies. The FURS uses bottom-up methodologies (based on VAT returns and balance sheets) alongside top-down EU estimates to assess the gap. Such estimates inform CRM strategies by identifying high-risk sectors and shaping interventions like pre-registration VAT controls and real-time VAT record submission (as from July 2025) ([72]).

4.4 Audits

Slovenia's audit system employs a multi-level approach to handle diverse risk categories efficiently. Slovenia applies pre-audit risk signals and a wide range of post-filing audit types. The tax administration also conducts avoidance and evasion investigations and on-site inspections ([73]).

Slovenia's audit processes use AI to enhance targeting and efficiency. As mentioned in Section 4.3, the machine-learning model assigns real-time risk scores to VAT returns, prioritising cases for substantive review. Automated checks route flagged returns to auditors, while predictive models identify patterns linked to fraud. Post-registration monitoring (e.g. monthly VAT filings for

[68] 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.
[69] 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.
[70] 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.
[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] Ibidem
[73] European Commission: Directorate-General for Taxation and Customs Union, Mind the Gap – Challenges and opportunities for tax compliance and tax expenditures in the EU – Slovenia, Publications Office of the European Union, 2025, https://data.europa.eu/doi/10.2778/9296422.

new registrants) and joint liability enforcement support audit effectiveness. Future plans include deeper integration of CESOP data for cross-border VAT fraud detection ([74]).

Slovenia segments taxpayers by risk level and complexity. Large taxpayers, identified by income, taxes, assets, sector, and associated entities, are managed under a specialised Large Taxpayer Office (LTO) approach. Slovenia's LTO office does not include a High-Net-Worth Individual programme. In 2024, 2.8 % of full-time equivalents (FTEs) were assigned to the LTO and 85.6% of these were allocated to the function of audit, investigation and other verification activities of taxpayers within the scope of the LTO. Revenue generated from the LTO accounts for 26.2% of total revenue, whereas audits performed by the LTO also generate 29.7% of all audit revenue ([75]).

Slovenia makes very limited use of advanced instruments of administrative cooperation provided for in the Directive on administrative cooperation in the field of taxation and Regulation 904/2010 to facilitate cooperation on specific cross-border 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 reduce the tax gap.: between 2023 and 2025, Slovenia has initiated 1 PAOE and participated in 3 other ones, representing respectively 1.5% and 2.3% of the total of these activities within the E.U. Slovenia has not initiated any MLC though.

4.5 Payment and collection

Slovenia achieves near-universal e-payment and high on-time payment compliance ([76]). In 2024, 99.99% of tax payments were electronic (vs. EU average: 94.9%). On-time payment compliance rates were 86% for CIT (EU average: 89.8%), 84.6% for PIT (EU average: 79%), and 81.2% for VAT (EU average: 83.7%). Cash payments for taxes are highly restricted, with transactions generally required to be made through payment service providers ([77]).

Slovenia's VAT refund process is integrated with the compliance risk management system. The VAT refund process has been also linked to taxpayer registration checks. The VAT penalty system for late VAT filings and payments remains simple and proportionate ([78]).

4.6 Tax debt recovery

Slovenia continues to improve the levels of outstanding tax arrears. The closing stock of tax arrears at the end of the year in % of total revenue has shown a decrease in recent years, to 3.6% in 2024, which is one of the lowest within the EU and far below the EU average of 30.7%. The closing stock of collectable arrears as % of the closing stock arrears slightly increased compared to the most recent years, at 53.4% in 2024 ([79]). This percentage of collectible arrears is above the EU average of 43% in 2024. It should however be taken into account that the closing stock of tax debt recorded at 31 December is prepared as at that cut-off date and comprises all outstanding

[74] Findings based on Member States' annual reports (mostly 2025-2026) under Article 12, Regulation (EEC, Euratom) No 1553/89 (VAT own resources collection.
[75] International Survey on Revenue Administration data. https://data.imf.org/en/datasets/ISORA:ISORA_LATEST_DATA_PUB
[76] Ibidem
[77] Findings based on Member States' annual reports (mostly 2025-2026) under Article 12, Regulation (EEC, Euratom) No 1553/89 (VAT own resources collection.
[78] Ibidem
[79] ISORA Data – closing stock and collectable arrears.

liabilities that had fallen due for payment by that date. This includes liabilities that were still open at the cut-off date and were settled voluntarily by taxpayers only a few days later, as well as debts that are only yet to be the subject of reminders and other recovery measures.

Slovenia has a consistent legal framework across major tax types, but no dedicated legislation on cooperation in insolvency proceedings. Slovenia applies a uniform legal framework for all major tax types (VAT, PIT, CIT and excise duties), ensuring legal coherence and administrative simplicity. Legislation on cooperation between tax authorities and administrators of insolvency proceedings provides that tax administration must, at the request of the insolvency practitioner, transmit all data relevant to establishing the leal position and assets of the insolvent debtor, thus allowing the use of that information for the recovery of unpaid (tax) claims in the insolvency proceedings ([80]).

As regards the write-off of tax debts, Slovenia applies strict rules ensuring that debts are only written off when enforcement is definitively no longer possible ([81]). There is no disaggregated information on how long it takes to solve tax disputes at administrative level or before a court. Slovenian law allows to recover disputed taxes or to take precautionary measures to guarantee their recovery ([82]). The tax administration may take precautionary measures even before there is an assessment/title, without the need to have a court order first ([83]).

Regarding cross-border recovery assistance within the EU, Slovenia submits compliant requests to other Member States. Slovenian recovery requests to other Member States generally comply with requirements ([84]), focusing on well-established claims. Only 12 recovery requests were suspended because of contestations in 2025, while 1 385 requests for recovery were sent to other Member States in the same year ([85]).

Slovenia has integrated AEOI data in its recovery strategy and uses information from DAC1, DAC2 and DAC7 for recovery purposes, which is an advanced approach that must be considered as best practice.

[80] Slovenia's replies to questions 34-36 of the 2025 survey on tax recovery.
[81] Slovenia's replies to questions 26-27 of the 2025 survey on tax recovery.
[82] ISORA Data – Tax arrears collection powers and their usage – collect any disputed tax while the dispute case is open and under administrative/judicial review.
[83] Slovenia's replies to question 16 of the 2025 survey on tax recovery.
[84] Statistics on rejections of requests, reported by Slovenia as applicant State, relating to recovery assistance in 2025.
[85] Statistics on the suspension of recovery requests, sent by Slovenia as applicant State, following contestation of the claim, for 2025.