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TAX & AUDIT SERVICES

Fresh tax, legal and economic information



MANDAT news

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EXEMPTION OF NON-CASH INCOME IN THE FORM OF ACCOMMODATION

SERVICES PROVIDED TO EMPLOYEES

Taking into account the increasing employers' demand for quality workforce, the government has decided to support labour migration within the Slovak Republic. This support has two forms:

- **Exemption of a part of non-cash income in the form of accommodation services**
- **Extension of tax-deductibility of costs of such accommodation**

The essential condition is that the employer must engage in multiple-shift production activities.

For an employee, such non-monetary income up to EUR 60 may be exempt, with effect from 1 January 2018. An employee is therefore entitled to apply this exemption in his/her annual settlement and/or tax return for the year of 2018.

Furthermore, the amendment stipulates that any tax loss incurred in connection with the operation of a facility for employees' accommodation is not tax deductible.



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TAX BONUS

The Parliament shall also discuss a proposal presented by MPs seeking to double the amount of tax bonus for a dependent child under 6 years. Estimated effectiveness is from 1 April 2019. It would mean that employees would be able to utilize the increased tax bonus already for the month of April 2019.

VACATION VOUCHERS

On the second attempt, the Parliament adopted an amendment to the Tourism Promotion Act, introducing the issuance of vacation vouchers. This amendment also indirectly amends the Income Tax Act and the Labour Code.

Vacation vouchers will have the form of a monetary allowance. The obligation of employers to provide such allowance or vacation voucher depends on the number of employees. If an employer employs more than 49 employees and they ask for the provision of the allowance, the employer

VACATION VOUCHERS

s obliged to provide it. The employee requesting the allowance must be employed continuously for at least 24 months by the same employer; he/she may apply for the allowance at one employer only.

Employees are obliged to furnish prove of any eligible expenses by means of accounting documents within the period of not more than 30 days after the end of the vacation. Unless agreed otherwise, the allowance is provided upon the next pay-out date.

The maximum amount of allowance is EUR 275, i.e. 55 % of the maximum amount of EUR 500. The allowance in this amount is a tax-deductible cost of the employer. As regards the employee, it is a tax-exempt income, not subject to any tax obligations.

The employer can increase the allowance up to the full amount using resources from the Social Fund.



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NOT TO BE MISSED

Important dates

Overview of important dates in the January-March 2019 can be found on our website: <http://www.mandat.sk>

ABOUT US

The companies **MANDAT CONSULTING, k.s.** and **MANDAT AUDIT, s.r.o.** were founded in 2004 as tax advisory and auditing companies. Since their establishment, they have been providing small, medium-sized and companies active in Slovakia with services in the field of tax consultancy, audit and accounting. Long-lasting cooperation with foreign advisory companies hand in hand with the competence of Slovakian tax advisors and auditors enables us rendering our service to the clients originated from abroad.

In present time, 41 well trained members of our staff are at the disposal to our clients.

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