VAT NEWSLETTER

A look across the border

54 I 2024

1 Czech Republic

In the Czech Republic, several changes are currently working their way through the legislative process. Their adoption is expected by the end of the year:

- Input VAT can currently be deducted for up to three years after it has been incurred. In the future, the deduction of input VAT must be exercised by the end of the second calendar year following the year in which the VAT was incurred. The limitation period for correcting VAT returns is currently three years and will, in the future, be seven years.
- A new rule for the mandatory correction of the input VAT deduction is to be introduced. If the input VAT is not paid by the end of the sixth month after it becomes due, the taxpayer must correct the input VAT deduction.
- In addition, the rules for applying the simplification scheme for triangular transactions are to be adjusted. In future, the invoice must include a note stating that the recipient is liable for the VAT.

2 Estonia

Estonia previously increased its standard VAT rate from 20% to 22%. This increase was effective as of 1 January 2024 (see KMLZ VAT Newsletter 03 I 2024). The standard VAT rate will now be increased again in a further adjustment, this time from 22% to 24%, as of 1 July 2025.

3 Finland

Finland has amended its standard VAT rate. It was raised from 24% to 25.5% as of 1 September 2024.

Ronny Langer
Certified Tax Consultant,
Dipl.-FW (FH)

+49 (0) 89 217 50 12-50
ronny.langer@kmlz.de

As per: 11.12.2024 I All contributions are made to the best of our knowledge.
No liability is assumed for the content I © KMLZ

4 Italy

The Italian tax authorities have updated the list of companies that are required to apply the so-called split payment scheme, with effect from 1 January 2025. As a reminder, such businesses do not have to pay the VAT to the supplier, but rather directly to a special tax account. The supplier must indicate the split payment mechanism on its invoices. Our KMLZ VAT-ID Verifier includes an interface that can be used to check whether an Italian business falls under the split payment system.

5 Romania

As of 1 September 2024, the tax administration began sending out pre-filled tax returns (P300) to all taxable persons registered for VAT in Romania. If there is a difference of more than 20% between the total turnover and at least 5,000 RON of VAT between the VAT return submitted by the taxable person and the VAT return pre-filled by the tax administration, the taxable persons will be asked to explain the differences within 20 days. No fines will be imposed for failure to comply with this obligation until 31 December 2024.

On 1 July 2024, Romania introduced the “RO e-Transport” system. The tax authorities, together with the customs authorities, use it to electronically monitor the transport of goods deemed to carry a high tax risk. The aim is to combat fraud. Therefore, in the event of violations, penalties of up to the value of the goods can be imposed.

From 1 January 2025, non-resident taxable persons registered for VAT in Romania are obliged to submit SAF-T reports (D406). It is expected that the 394 declaration will be gradually abolished in this context.

6 Slovakia

On 1 January 2025, Slovakia will increase its standard VAT rate from 20% to 23%. At the same time, a second reduced rate of 19% will be introduced for certain food products, non-alcoholic beverages served in restaurants and the supply of electricity. For basic foodstuffs, medicine, books, accommodation services and restaurant services, the previous reduced VAT rate of 10% will be lowered to 5%.

In the future, input VAT from intra-Community acquisitions can be deducted in the period in which the VAT arises, even if no supplier invoice is (yet) available. Currently, the possession of an invoice is a requirement for input VAT deduction. Under the new regulation, taxpayers must prove their right to input VAT deduction by other documents showing the acquisition of the goods and the VAT amount.

In addition, the threshold for simplifications for small invoices will be reduced from EUR 1,000 to EUR 400.

7 Slovenia

Slovenia is introducing the option of forming a VAT group as of 1 January 2026. The regulation is similar to those in other EU countries. The controlling company can jointly fulfill the VAT obligations for its controlled companies. In addition, supplies between group companies will not be taxable in the VAT group, hence no VAT will be due on these supplies.

From 1 January 2026, businesses will be required to issue electronic invoices to other businesses. These electronic invoices must then also be submitted within eight days to the Slovenian tax authorities by both the issuer and the recipient.

KMLZ Rechtsanwaltsgesellschaft mbH | www.kmlz.de | office@kmlz.de
D-80331 München | Unterer Anger 3 | Tel.: +49 89 217501220 | Fax: +49 89 217501299
D-40221 Düsseldorf | Speditionstraße 21 | Tel.: +49 211 54095320 | Fax: +49 211 54095399

As per: 11.12.2024 I All contributions are made to the best of our knowledge.
No liability is assumed for the content I © KMLZ