

# INSTRUCTIONS FOR FILLING IN THE TAX RETURN ASSESSMENT FORM RELATING TO INCOME DERIVED FROM THE LEASE OF PROPERTY

## 1. INTRODUCTION

The tax return for income tax assessment on income from the lease of property must be filed by taxable persons with the tax authority by 28 February for the past year when income from the property lease is paid by a person other than the person liable to pay tax under Article 58 of the [Tax Procedure Act - \(hereinafter the ZDavP-2\)](#). The tax return can be submitted via the [eDavki](#) website:

- if the taxable person has a SIGEN-CA, SIGOV-CA, POŠTA@CA, HALCOM CA or AC NLB digital certificate. Find out more about managing your taxes via the eDavki website at: <http://edavki.durs.si/OpenPortal/Pages/StartPage/StartPage.aspx>.
- without a digital certificate (registration with a username and password). More information available at: <https://edavki.durs.si/OpenPortal/Pages/Registration/UsernameRegistration.aspx>.

## 2. ENTERING INFORMATION UNDER POINT 1 – CODE NUMBER OF TAX RETURN STATUS

By entering the appropriate number, you indicate the status of the filed return with regard to its content or purpose and in accordance with the provisions under Articles 62 to 64 of the [ZDavP-2](#). Leave this field empty if the tax return is being submitted for the first time, or **complete it only if the tax return is being filed according to the provisions of the ZDavP-2, regulating the subsequent submission or correction of the tax return.**

### **CODE NUMBER DA-1**

Taxable persons who miss the deadline to file their tax return for justified reasons may submit a proposal to the competent tax authority to retrospectively file the tax return, in accordance with Article 62 of the [ZDavP-2](#). In this proposal, they must state the reasons for their delay and provide proof of their claims. Justified reasons are circumstances that the taxable person could not foresee or prevent and which made it impossible for them to complete or file their tax return within the prescribed time. The proposal for retrospective filing must be submitted by the taxable person within eight days after the reasons for the delay no longer obtain, but within a maximum of three months after the missed deadline. The taxable person should enclose their tax return with the submission for a subsequent submission of the tax return. If the reasons preventing the completion or submission of a tax return still exist, the taxable person may submit their proposal for a subsequent submission of the tax return without enclosing their tax return, but they must indicate the deadline by which their tax return will be submitted. If in this case the tax authority allows them to submit the tax return after the prescribed deadline, it must set a new deadline by issuing a decision. A taxable person submitting their tax return after the prescribed deadline on the basis of Article 62 of the ZDavP-2 should indicate the number 1 (filed after the deadline) under the heading "Code Number of Tax Return Status".

### **CODE NUMBER DA-2**

If a taxable person has missed the deadline to submit their tax return, but does not fulfil the conditions for submitting the tax return after this prescribed deadline, or if they have stated false, incorrect or incomplete information in their return on the basis of which the tax authority has already issued a tax assessment notice, they may, according to Article 63 of the [ZDavP-2](#), submit their tax return as a self-declaration no later than until the delivery of the assessment notice or until the beginning of the tax audit or, respectively, until minor offence proceedings or criminal proceedings are initiated. According to Article 396 of the [ZDavP-2](#), a taxable person who submits their tax return as a self-declaration will not be charged with an offence if they pay the tax assessed on the basis of their self-declaration. A taxable person may not submit a new self-declaration for liabilities for which they have already filed a previous self-declaration. A taxable person submitting their tax return based on self-declaration in accordance with Article 63 of the ZDavP-2 should indicate the code number "DA-2" (tax return submitted on self-declaration) under the heading "Code Number of Tax Return Status".

### **CODE NUMBER DA-3**

In accordance with Article 64 of the [ZDavP-2](#), a taxable person may amend a tax return which they have submitted to the tax authority. The tax return may be corrected no later than the date when the tax assessment notice is issued. A taxable person amending their tax return before the issue of an assessment notice should indicate the code number "DA-3" (correction of already submitted tax return) under the heading "Code Number of Tax Return Status".

### 3. ENTERING INFORMATION UNDER POINT 2 – INFORMATION ABOUT TAXABLE PERSON

Enter basic identification data (name and surname, tax identification number, residential address, telephone number, electronic address, and tick "YES" if the taxable person is a resident of Slovenia for tax purposes, or tick "NO" and enter under "Other" the country of residence of the taxable person for tax purposes). In the line "Citizenship", indicate the country of which the citizen is a taxable person; it may differ from the country of residence for tax purposes. Data on nationality is entered for the purposes of managing and maintaining data in the real estate market register according to the Property Mass Valuation Act – the ZMVN-1.

### 4. ENTERING INFORMATION UNDER POINT 3 – INFORMATION ABOUT INCOME

Mark each individual property (real estate, movable property) with a Roman numeral and fill in a column for it. If you have leased more than four different assets (real estate or movable property), print out an additional tax return and mark it as an integral part of the tax return containing information about the taxable person.

**A** - in the line "**Income**", enter the total amount of income obtained in the period of leasing the relevant property in euros rounded to two decimal places. Foreign currency income should be converted into euros at the rate of exchange published by the Bank of Slovenia on the date of receipt of such income.

**B** - In the line "**Flat rate costs**" tick YES or NO to indicate whether flat rate costs are being claimed. The taxable person has the right to claim the flat rate costs (without submitting proof), or the actual cost of maintaining property, which preserves the practical value of property (**actual costs**), if they were paid by them in the period of the rental of property.

A taxable person who leases agricultural or forest land cannot claim flat rate costs or actual costs.

**C** - in the line "**Actual costs**" enter the total amount of actual costs paid by the taxable person alone in the period of lease of property. For these costs the taxable person must submit invoices containing their name and relating to the leased property. Actual costs are also the actual funds used by the reserve fund for the maintenance of a multi-dwelling building. The taxable person is recognised the amount of the spent reserve fund's assets allocated to them in connection with the leased property, based on a notice from the manager, who distributes the incurred maintenance costs among the commonhold owners according to predefined criteria and draws up a distribution table or calculation of these costs.

The invoices shall be enclosed with the tax return and must be entered under point 7 of the ANNEX and, when listing the invoices, indicate to which property they refer.

**Č** – in the line "**Time of lease (from-to)**" enter the actual time when the property was leased in each year (e.g. if property was leased from March to December, enter 3 – 12).

**D** – The line "**Amount of rent paid**" is only to be filled in by taxable persons who earn rental income by subleasing their property. If the leased property is sublet, enter the amount of rent paid by the taxable person for that property.

### 5. ENTERING INFORMATION UNDER POINT 4 – CLAIMING A DEDUCTION OF TAX PAID ABROAD OR EXEMPTION

A **resident** taxable person who receives rental income from the lease of property and is taxed outside the Republic of Slovenia may, in the tax return for assessment of personal income tax, claim a deduction of foreign tax under Article 328 of the ZDavP-2, or claim an exemption from payment of personal income tax, which is not taxed in the Republic of Slovenia in accordance with the international treaty on the avoidance of double taxation.

**E** – In the line "Foreign tax", enter the amount in euros and round it up to two decimal places. The foreign tax in foreign currency is converted to euros according to the Bank of Slovenia's published rate of exchange applicable on the date when interest was received. When the taxable person claims a deduction of tax paid abroad, an integral part of the tax return should also be relevant evidence of

payment of tax liability outside Slovenia, particularly of the amount of tax paid abroad, the taxable amount and whether the amount of tax paid abroad is final and actually paid. The supporting evidence attached to the return must be entered under point 7 – ATTACHMENTS.

**F** – In the line "**Country**" the taxable person should fill in the country in which the income was generated.

**G** – In the line "**Exemption**" tick YES if the taxable person claims exemption from paying income tax on property rental income which is not taxed in the Republic of Slovenia in accordance with the international convention on the avoidance of double taxation.

The list of valid international conventions on the avoidance of double taxation of income and property is published on the website of the Financial Administration of the Republic of Slovenia at:

[http://www.fu.gov.si/davki\\_in\\_druge\\_dajatve/podrocja/mednarodno\\_obdavcenje/](http://www.fu.gov.si/davki_in_druge_dajatve/podrocja/mednarodno_obdavcenje/).

## **6. ENTERING INFORMATION UNDER POINT 5 – INFORMATION ABOUT PROPERTY**

**H** – in the line "**Type of property \***" tick N in the event of immovable property rental. In the event of movable property rental, tick P.

**I** – in the line "**Description of movable property**" enter the type of movable property (equipment, mobile home, transportation means, etc.), type and year of manufacture.

**J** – in the line "**Immovable property address**" enter the street no. and the location of immovable property, if relevant.

**K** – in the line "**Cadastral municipality code number**" enter the cadastral municipality code number.

**L** – in the line "**Plot number (for land)**" enter plot number only for land.

**M** – in the line "**Building no.**" enter the building number.

**M** – in the line "**Building part no.**" enter the building part number.

**R** – in the line "**Agricultural/forest land**" tick YES in the event of agricultural or forest land lease.

Information under **K**, **L**, **M** and **N** for immovable property located in Slovenia can be obtained by public inspection to real estate data on the website of the Surveying and Mapping Authority of the Republic of Slovenia at: <http://prostor3.gov.si/javni/login.jsp?jezik=sl>.

## **7. ENTERING INFORMATION UNDER POINT 6 – CLAIMING EXEMPTION FROM INCOME TAX ON INCOME DERIVED FROM THE LEASE OF MOVABLE PROPERTY SUBJECT TO THE PROVISIONS OF THE INTERNATIONAL CONVENTION ON THE AVOIDANCE OF DOUBLE TAXATION OF INCOME**

**Non-resident** taxable persons should enter the serial number from the table under point 3, the paragraph and article number referred to in the international convention on the avoidance of double taxation between the Republic of Slovenia and another country, on the basis of which they claim a reduction or exemption from income tax on leasing movable property.

Non-resident taxable persons should attach to their tax return a certificate of residence issued by the competent body of the other state party to the convention, evidencing that the taxable persons are residents of this other country in terms of the provisions of the international convention on the avoidance of double taxation of income signed between the Republic of Slovenia and this other country. The name of the other state party to the convention and the date of issue of the certificate (dd.mm.yyyy) should be entered.

## **8. ENTERING INFORMATION UNDER POINT 7 – ATTACHMENTS**

The taxable person should attach appropriate evidence in support of the information about income derived from leasing property (e.g. invoices, certificate of tax paid abroad, etc.).

#### **9. ENTERING INFORMATION UNDER POINT 8 – REMARKS**

Enter under this point any additional explanation that is relevant for the correct assessment of personal income tax and correctness of information on the leased real estate for the purpose of keeping the real estate market register according to the ZMVN-1.

#### **10. ENTRY OF DATA UNDER POINT 9 – ADDITIONAL INFORMATION ON LEASED BUILDINGS AND PARTS OF BUILDINGS FOR THE PURPOSES OF MAINTAINING THE REAL ESTATE MARKET REGISTER UNDER THE ZMVN-1**

The additional table is used to provide information on individual lease transactions of buildings or parts of buildings in Slovenia for which, in the year for which the income tax return for income from the lease of property is submitted, a lease contract or an annex thereto was entered into for six or more months in a year. If in the past year the contracts or annexes were not concluded (as they were concluded before) or were concluded for less than six months, tick the YES box below the table. Relevant information is to be entered for legal lease transactions concluded after 1 January 2018.

For the purposes of keeping the real estate market register under the ZMVN-1, legal property lease transactions shall be deemed to be transactions involving the payment-based lease of buildings and parts of buildings which are entered into for a period of no less than six months based on a lease or sublease agreement or an annex thereto amending the lease amount or duration.

**P** - in the line "**Serial number of property from the table under point 3 and serial transaction number**" use a Roman numeral (I, II, III, IV,...) to enter the serial number of property from the table under point 3, and an individual lease transaction with an Arabic numeral (1, 2, 3, 4,...). For example, if in the year for which the personal income tax return is submitted, the same apartment (individual property with the serial number I from the table under point 3) was rented under two lease contracts – whereby each is concluded for at least six months – I/1 is entered in the first column and I/2 in the second, regardless of the actual duration of the two lease transactions.

**R** - in the line "**Type of leased premises\***" enter the corresponding number from the CODE list 1 - Type of leased premises under point 10. If several different types of premises are leased under one contract (e.g. apartment and a parking space), enter only the code of premises subject to the lease transaction under type of leased premises (in this case this is an apartment, therefore code 02 is entered).

**S** - in the line "**Type of lease transaction**" enter the corresponding number from the CODE list 2 - Type of rental transaction under point 10.

**Š** - in the line "**Leased area (m2)**" enter the surface area of leased premises that are the subject of the lease contract or annex to the lease contract.

**T** - in the line "**Equipment**" indicate with YES or NO whether the leased premises are equipped in such way that they can be used immediately.

**U** - in the line "**Operating costs**" tick YES or NO, whether or not the lease includes the operating costs (electricity, water, utility services, management, etc.).

**V** - in the line "**Other lessors**" indicate whether with the said transaction, the same leased premises, except a taxable person, are leased by another lessor (e.g. co-owner). In such case, tick "YES".

**Z** - in the line "**Date of conclusion of the contract/annex**" enter the date of signing the lease contract or annex to the lease contract in the year for which the income tax return is filed on income derived from leasing of property.

**Ž** - in the line "**Agreed date of lease termination**" enter the contractually agreed termination date of the lease or annex. In the event of a lease for an indefinite period, indicate "for indefinite period".

**X** - in the line "**Agreed monthly rent**" enter the amount of monthly rent that was agreed under the lease contract or the annex to the lease contract for buildings or parts of buildings. In the event of leasing a building or parts of a building by several lessors, enter the agreed monthly rent received jointly by all lessors under the contract/annex.

**Y** - in the line "**Information about the tenant – the rent payer**" enter the information about the tenants (name and surname or name or company, address or headquarters, citizenship or country of residence and tax or ID number).