

## **INSTRUCTIONS FOR FILING A NOTICE OF CLAIMING A SPECIAL PERSONAL TAX ALLOWANCE FOR NEW RESIDENTS**

In accordance with Article 113a [of the Personal Income Tax Act](#), new tax residents who meet the statutory requirements are granted an income tax deduction of 7 percent of the wage or wage compensation received. In accordance with paragraph fifteen of Article 127 of the ZDoh-2, a special tax allowance for new residents under Article 113a of this Act may be included in the calculation of the personal tax on employment income.

Article 86t of the [Rules on the Implementation of the Tax Procedure Act](#) provides that a taxable person – resident who, pursuant to Article 113a of the ZDoh-2, claims a special personal tax allowance for new residents in accordance with paragraph fifteen of Article 127 of the ZDoh-2 when calculating the amount of advance personal income tax on employment income paid on a monthly basis must inform thereof their employer.

A taxable person will be granted a tax reduction provided that they have complied with all the provisions of Article 113a of the ZDoh-2, namely that

- the taxable person is a resident of Slovenia;
- the taxable person was not a resident of Slovenia during the last two consecutive tax years prior to the date of taking up employment in Slovenia and, during this period, had no taxable employment or self-employment income earned in Slovenia;
- the employment contract guarantees the taxable person a wage in the amount of at least twice the last known average annual wage in Slovenia that is published by the Statistical Office of the Republic of Slovenia and paid on a monthly basis;
- the taxable person has taken up employment in Slovenia with an employer who, in accordance with this Act or the act governing corporate income tax, is a resident or non-resident of Slovenia (who, in accordance with this Act or the act governing corporate income tax, has a non-resident place of business in Slovenia or, in accordance with regulations governing the establishment and operation of enterprises in Slovenia, has a branch office in Slovenia), if the wage or wage compensation is considered as a deductible item in the calculation to determine the employer's tax base in Slovenia in accordance with this Act or the act governing corporate income tax;
- as of the date of the occurrence of the disability, the taxable person has yet to complete 40 years of age.

Personal income tax reduction is granted for a maximum of five consecutive income tax years, the first income tax year being the tax year in which the resident took up employment in Slovenia. A taxable person must also be in employment in Slovenia for at least 10 months in a particular income tax year.

The final assessment of eligibility for this special personal tax allowance is made by the tax authority (Financial Administration of the Republic of Slovenia – FURS) on an annual basis.