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COMMISSION STAFF WORKING DOCUMENT

Mind the Gap Report
Challenges and opportunities for tax compliance and tax expenditure in the EU

Slovenia

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Country fiche: Slovenia

Summary box: Areas of Strength and Areas for Improvement

Areas of Strength

- **Slovenia displays a low VAT compliance gap, supported by a well-established VAT collection and administration system.** In 2023, Slovenia's VAT compliance gap was estimated at 5% of the VAT Total Tax Liability, well below the EU average (9.5%). Notably, Slovenia performs well in the area of VAT registration, deregistration and identification, with VAT registration and return filing being fully digitalised, and the registration process including several risk checks.
- **Slovenia shows strong performance in e-filing across all tax types, with near-universal digital filing rates.** In particular, Slovenia has had full uptake of VAT e-filling since 2018, and above EU average e-filling rates for corporate income taxation (CIT) and personal income taxation (PIT). These high e-filing rates reflect an effective digital interface, likely due to user-friendly systems and mandatory digital submission. Slovenia is among the better-performing Member States in terms of compliance burden reduction.

Areas for Improvement

- **Slovenia does not perform corporate income tax (CIT) and personal income tax (PIT) gap estimation, although it has recently taken steps to strengthen its tax gap estimation capabilities.** Slovenia is not among the EU Member States that officially estimate or publish national tax gaps, besides the participation in the EU VAT gap exercise. Measuring tax gaps would provide valuable insights into compliance levels, enforcement effectiveness, and priority areas for tax policy reform. In light of the relatively high estimates of the shadow economy, a comprehensive effort to estimate tax compliance gaps, including in personal and corporate taxation, would also allow to better understand the drivers and revenue effects of the shadow economy. Recently, Slovenia has cooperated with the International Monetary Fund (IMF) to improve the CIT administration including CIT gap estimation, with the support of the EU Technical Support Instrument (TSI).
- **Slovenia has no framework in place to regularly review and evaluate tax expenditures.** While Slovenia regularly publishes tax expenditure reports, systematic tax policy review and evaluation could provide opportunities to broaden the tax base by reducing tax expenditures, and simultaneously ensure an increase in public revenue, efficiency, transparency and fairness of the tax system. Relatedly, Slovenia also received a 2025 Country-Specific Recommendation to improve the quality of public finances by implementing spending reviews.
- **The effectiveness of the Slovenian tax recovery system remains weak overall.** Slovenia has an operational legal and administrative framework for tax recovery, but it lacks a number of provisions that would improve its functioning (e.g. risk-based approach to debt recovery, automated triggers in the recovery process, data tracking on contested tax claims).

1. Snapshot of Tax System: Tax Revenues and their Sources

In 2023, Slovenia's tax-to-GDP ratio was 36.6%, below the EU average of 39.0% ([1]). Despite it, Slovenia shows a stable and comparatively high level of tax revenues within the Central and Eastern European region. Slovenia's tax system is marked by a strong reliance on labour taxation (51.2% of total tax revenue, in line with the EU average), particularly through social security contributions. Consumption taxes amounted to 34.2% of total tax revenue (EU average of 26.9%) and capital taxes to 14.6% (EU average of 21.9%). Regarding the different tax types, while value added tax (VAT) accounts for a stable share in line with the EU average, corporate income tax (CIT) and recurrent property taxes remain limited in their contribution. Environmental taxes, although slightly above the EU average as a share of GDP, remain underutilised as a structural policy tool. In 2025, Slovenia has received a Country-Specific Recommendation to rebalance tax revenues towards more growth-friendly and sustainable sources ([2]).

In terms of fairness, Slovenia ranks among the best-performing Member States. The at-risk-of-poverty or social exclusion rate was 14.4% in 2024, well below the EU average of 21% ([3]). The Gini coefficient of disposable income stood at 23.6%, among the lowest in the EU ([4]), and the redistributive effect of taxes and benefits is strong. In 2023, Slovenia's tax-benefit system reduced the gross Gini index by 11.9 percentage points (above the EU average of 7.7 percentage points) ([5]), demonstrating a significant impact on income inequality. In terms of progressivity, the difference in the tax wedge ([6]) between high-income (167% of average wage) and low-income earners (67% of average wage) is, at 5.8 percentage points, slightly below the EU average (7.8 percentage points). The difference in the tax wedge enhances work incentives at lower income levels, contributing positively to both equity and employment objectives.

2. Monitoring of Compliance 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

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[1] Data on tax revenues are based on European Commission: [Data on Taxation Trends](), edition 2025 (reference year 2023). The 2026 edition (reference year 2024) will be published in the first quarter of 2026. Preliminary data point to a upward revision of tax revenue data for 2023 (to 36.5% of GDP), followed by an increase of total tax revenues at 38.5% of GDP in 2024: https://doi.org/10.2908/GOV_10A_TAXAG.

[2] Council of the European Union, Council Recommendation on the economic, social, employment, structural and budgetary policies of Slovenia, https://data.consilium.europa.eu/doc/document/ST-10985-2025-INIT/en/pdf

[3] European Commission, Eurostat [ilc_peps01n]

[4] European Commission, Eurostat [ilc_di12]

[5] European Commission, DG EMPL calculations based on EU-SILC survey data.

[6] The tax wedge is defined as the sum of personal income taxes and employee and employer social-security contributions net of family allowances, expressed as a percentage of total labour costs (the sum of the gross wage and social-security contributions paid by the employer). Data are based on European Commission, DG ECFIN: Tax and Benefits Database.

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. Monitoring VAT Compliance Gap

In 2023, Slovenia's VAT compliance gap ([7]) was estimated at 5% of the VAT Total Tax Liability (VTTL) ([8]), equivalent to over EUR 250 million in lost revenue ([9]). This is considerably lower than the EU average of 9.5%, with Slovenia presenting the 5th lowest VAT compliance gap among EU Member States. This marks a sharp decline of 3.5 percentage points since 2022, which itself represented a large increase of over 5 percentage points compared to 2021. Looking at a longer time horizon, following a peak in 2022, the VAT compliance gap appears to have returned to its 2019 level of just under 5% of the VTTL.

Several factors are likely to have contributed to the recent observed decrease in the VAT compliance gap. The share of services in the economy has seen a moderate decrease (ca. -1 percentage point), which can have led to an overall lower risk of non-compliance as services are typically harder to tax effectively compared to traditional goods. Additionally, the pace of growth of recreational services, restaurant, and accommodation services in nominal household consumption has slowed down compared to 2022 (-27 percentage points), and the growth in the demand for tourism, as measured by nights spent in tourist accommodations, has decreased as well (-35 percentage points). Since these sectors are typically associated with a higher risk of non-compliance, the decline in their growth may have resulted in higher overall compliance, and consequently a reduction in the VAT compliance gap. On the administrative side, ongoing digitalisation of the tax administration, including AI-based risk analysis and mandatory e-filing, is expected to strengthen compliance in the coming years.

In 2023, VAT losses due to Missing Trader Intra-Community (MTIC) fraud ([10]) were estimated at around EUR 200 million in Slovenia. They displayed an overall increasing trend over time, with some fluctuations. Between 2010 and 2023, the VAT losses due to MTIC fraud increased by over EUR 100 million ([11]).

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[7] The VAT compliance gap is an estimate of revenues lost due to VAT fraud, evasion and avoidance, bankruptcies and financial insolvencies, or miscalculations.

[8] 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.

[9] 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.

[10] Missing Trader Intra-Community (MTIC) fraud is a form of VAT fraud that exploits VAT-free cross-border trade within the EU. Fraudsters purchase goods VAT-free from another Member State, sell them domestically, charge VAT to their customers, and disappear before paying this VAT to the tax authorities.

[11] European Commission, CASE, Poniatowski, G., Śmietanka, A., and Skowronek, A., *VAT compliance gap due to Missing Trader IntraCommunity (MTIC) Fraud – Final Report Phase II*, Publications Office of the European Union, Luxembourg, 2024, https://data.europa.eu/doi/10.2778/6433841.

2.3. Corporate and Personal Income Tax Compliance Gaps, and Measures of the Shadow Economy

The European Commission is not aware of any CIT and PIT compliance gap estimation activities in Slovenia at the time of writing of this document. Estimating CIT and PIT compliance gaps could help policy makers understand the nature and magnitude of the problems related to CIT and PIT tax collection. In addition, measuring and monitoring tax compliance gaps can support tax administration in assessing the effectiveness of their tax policy actions.

Slovenia has recently cooperated with the International Monetary Fund (IMF) on CIT gap estimation. In the framework of the EU Technical Support Instrument (TSI), the Slovenian Financial Administration (SFA) took steps to improve its operational processes, strengthen tax compliance and counter tax evasion related to CIT ([12]). 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 ([13]). 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 ([14]). 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 out 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.

European Commission estimates also suggest a moderate CIT compliance gap in Slovenia. Based on a methodology developed by the Joint Research Centre which relies on a top-down approach using national accounts data, the CIT compliance gap of Slovenia was at around 9.6% of collected CIT revenues in 2017 (using the GVA-based methodology) ([15]). According to the same methodology, the

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[12] https://reform-support.ec.europa.eu/what-we-do/revenue-administration-and-public-financial-management/improving-administration-corporate-income-tax-slovenia_en

[13] 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

[14] 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.

[15] European Commission: Directorate-General for Taxation and Customs Union (2025), *The Corporate Income Tax Gap, A European approach to measuring losses in corporate tax revenues*, Publications Office of the European Union, https://data.europa.eu/doi/10.2778/0541549. The JRC has recently developed a novel approach to estimate the CIT gap based on National Accounts and existing data on the undeclared economy, providing approximations of the CIT gap for a majority of EU Member States. JRC's estimations are based on the exhaustiveness adjustments made to Gross Operating Surplus (GOS), Gross Value Added (GVA) and Gross Domestic Product (GDP), that national statistical offices perform to account for non-observed economy. The JRC approach does not capture CIT

(unweighted) average for the CIT compliance gap is 10.9% of collected CIT revenues based on available estimates for 23 Member States.

The size of the shadow economy in Slovenia is higher than the EU average but it has slightly decreased over the recent years. The shadow economy in Slovenia in 2022 represented 22.1% of GDP, above the EU-27 average of 17.6% for that year (Schneider and Asllani 2023, for the European Parliament) ([16]). Over the last decade the share of shadow economy has slightly decreased from 23.6% in 2012. The analysis considers PIT, indirect taxes, tax morale, unemployment, self-employment, GDP growth and business freedom as contributing factors to the shadow economy. Regarding tax morale, 50% of Slovenian's feel that taxes are too high in Slovenia and would reduce taxes even if it means fewer or lower quality public services, the 4th highest result for this indicator in the EU ([17]).

2.4. Other Compliance Gaps

There is currently no public information or evidence that Slovenia estimates other tax compliance gaps. There are no official programmes or published figures for compliance gaps related to excise duties, environmental or energy taxes, or capital taxes.

3. Monitoring of Policy Gaps

3.1. Tax Expenditures

Slovenia regularly publishes tax expenditure reports. Slovenia monitors and publishes the type and size of tax expenditures in PIT, CIT, excise duties, VAT and taxes on motor vehicle traffic in an annual report on tax expenditure, which is prepared by the Ministry of Finance as part of the annual budget accounts ([18]). According to the 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 reliefs and exemptions are the largest contributor amounting to EUR 1.5 billion or 2.3% of the GDP. VAT relief is the second largest item, amounting to EUR 1.1 billion or 1.7% of the GDP. 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 detail about the share of provisions quantified.

Tax expenditures in the context of PIT narrow the potential tax base and possibly negatively affect work incentives. A recent microsimulation study based on EUROMOD shows that PIT related

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gaps associated with tax avoidance and (international) profit shifting, which would require other estimation methods.

[16] https://www.europarl.europa.eu/RegData/etudes/STUD/2022/734007/IPOL_STU(2022)734007_EN.pdf

[17] European Commission: Directorate-General for Taxation and Customs Union and Directorate-General for Communication, *Citizens' attitudes towards taxation – Eurobarometer report*, European Commission, 2025, https://data.europa.eu/doi/10.2778/6066713

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

tax expenditures result in revenues foregone of almost 20% of PIT revenues ([19]). While on average disposable income of household increases by about 3%, increases are most limited for the households with the lowest incomes. Income inequality as measured by the Gini however is not affected by these tax expenditures ([20]). The OECD's economic survey of Slovenia ([21]) notes 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 are mentioned as potential candidates for raising fiscal revenues. It is further suggested to reduce disincentives to work for second earners by replacing tax allowances with an earned income tax credit or through tax adjustments.

Slovenia has no framework in place to regularly review and evaluate tax expenditure provisions. Slovenian authorities acknowledge that appropriate tax policy based on reviews and evaluations provides opportunities to broaden the tax base by reducing tax expenditures, as a way to simultaneously ensure increase in public revenue, efficiency, transparency and fairness of the tax system ([22]). Along similar lines, the IMF (in the context of the Article IV consultation) has suggested to reform labour taxation and compensate part of revenue losses by broadening VAT and income tax bases, acknowledging that tax expenditures are estimated at about 5% of GDP ([23]). A recent report by the Slovenian Fiscal Council on expenditure reviews also emphasises the importance of tax expenditures reviews and highlights that such reviews are strongly recommended in the national tax expenditures reports. The report did not identify any evidence that tax expenditures review and evaluation have been implemented (albeit some level of experimentation with spending reviews seems to have taken place) ([24]). Further action in this area could also help address Slovenia's 2025 Country-Specific Recommendation to improve the quality of public finances by implementing spending reviews ([25]).

3.2. VAT Policy Gap

In 2023, the VAT policy gap ([26]) in Slovenia was estimated at 48% of the notional ideal revenue ([27]), lower than the EU average of 50.5% ([28]). In nominal terms, it amounted to around

[19] It is noteworthy that the TE report indicates the foregone revenues from PIT related TEs amount to up to 50% of income tax revenues collected.
[20] Turrini et al., 2024, Tax Expenditures in the EU: Recent Trends and New Policy Challenges. .
[21] *OECD Economic Surveys: Slovenia 2024.* https://www.oecd.org/en/publications/oecd-economic-surveys-slovenia-2024_bc4a107b-en.html
[22] *Slovenia's Tax expenditure report 2022*, in Slovenian.
[23] International Monetary Fund. European Dept. "Republic of Slovenia: 2024 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for the Republic of Slovenia", *IMF Staff Country Reports* 2024, 120 (2024), accessed 11/28/2025, https://doi.org/10.5089/9798400274732.002
[24] *Public expenditure reviews: good practices and the situation in the EU and Slovenia, 2025*, Republic Slovenia Fiscal Council. https://www.fs-rs.si/wp-content/uploads/2025/06/Public_expenditure_reviews_June-2025.pdf
[25] Council of the European Union, COUNCIL RECOMMENDATION on the economic, social, employment, structural and budgetary policies of Slovenia, https://data.consilium.europa.eu/doc/document/ST-10985-2025-INIT/en/pdf
[26] 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.
[27] 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.

EUR 5 billion. This represents an increase of 1 percentage point compared to 2022. When looking at a longer time horizon from 2019, the VAT policy gap has increased by nearly 2 percentage points.

The VAT exemption gap ([29]) was estimated at 36% of the notional ideal revenue, or almost EUR 4 billion. This is somewhat lower than the EU average of 38%. It has seen a moderate increase over time, rising by under 1 percentage point since 2022, and by nearly 1.5 percentage points since 2019.

The VAT rate gap ([30]) was estimated at 12% of the notional ideal revenue, or over EUR 1 billion. This is in line with the EU average, which also stands at 12%. The VAT rate gap has stayed stable over time, with no significant changes compared to 2022 or 2019, remaining around 12%. The introduction in autumn 2022 of temporary VAT rate reductions on electricity, natural gas supply, district heating, and firewood is reflected in the increased share of the VAT rate gap attributed to utilities between 2021 and 2022, and again in 2023.

The national policy-driven VAT exemption gap ([31]) was estimated at 13% of the notional ideal revenue, or over EUR 1 billion. This is somewhat higher than the EU average of 11%. It has increased steadily over time, marking an increase of nearly 1 percentage point since 2022, and a more pronounced increase of over 3 percentage points since 2019.

4. Effectiveness of Tax Collection and Recovery Systems

4.1. VAT Collection

Slovenia has a well-established VAT administration system. VAT registration and return filing are fully digitalised, and the registration process includes several risk checks. Most VAT returns are filed on time, and electronic filing is mandatory. However, there are clear weaknesses in how Slovenia manages compliance risks, carries out audits, controls refunds, and recovers unpaid taxes. Several recommendations from the Commission's 2022 report on VAT administration remain relevant.

In the area of registration, deregistration and identification, Slovenia performs well. VAT registration is mandatory and fully online. The tax administration verifies the identity and legal status of applicants, conducts risk checks before registration, and keeps records of rejected applications. It also checks its VAT register against other national databases and targets unregistered businesses in

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[28] 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.

[29] The VAT exemption gap refers to the portion of the VAT policy gap resulting from revenues lost due to the application of VAT exemptions on selected products.

[30] 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.

[31] 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.

high-risk sectors (e.g. construction and retail). However, Slovenia does not apply risk scoring to new registrations or systematically monitor e-commerce platforms.

For tax filing and assessment, Slovenia has high levels of on-time filing, and e-filing is close to 100%. Taxpayers can access their data online and receive automatic reminders. Additionally, starting from mid-2025, taxpayers can receive pre-filled VAT returns. However, there is no available information on the use of risk checks before assessment or on dispute resolution times.

In compliance risk management, Slovenia uses some risk indicators in audits and registration, but there is no national compliance strategy. The tax administration does not use automated segmentation or scoring models and does not systematically combine data from other sources (e.g. financial institutions, customs). This limits its ability to detect and prevent non-compliance.

In the area of audit and enforcement, Slovenia uses risk-based selection to carry out audits. However, it did not perform ex officio deregistration or (mini) One Stop Shop ((M)OSS) audits in the reference period. There is no information on the use of joint audits, audit manuals, or performance indicators for audit work.

For payment and collection, Slovenia offers digital payment channels and starts enforcement promptly after payment deadlines. However, there is no published data on VAT refund processing times, and no information on the use of fraud risk filters before refunds are paid.

Slovenia's VAT administration benefits from strong digital tools for registration and filing. However, it needs to strengthen how it manages risks, carries out audits, processes refunds, and recovers unpaid VAT.

4.2. Tax Recovery

Slovenia has improved the levels of outstanding tax arrears. According to ISORA data, tax arrears in Slovenia equated to 3.7% of total revenue collected in 2023 (compared to the EU average of 30.7%). 51.3% of arrears are considered collectible, a 5.3 percentage point decrease from 2018 ([32]). The country does not apply risk-based segmentation of debtors, does not offer digital tools for managing arrears, and does not publish recovery performance indicators or write-off policies.

The tax recovery system in Slovenia shows potential for improvement. Slovenia has a functional legal and administrative framework for tax recovery, including a dedicated IT subsystem and procedures that are launched promptly after payment deadlines. However, available EU-level data shows that the effectiveness of recovery remains weak overall.

Recovery rates have recently declined for VAT and CIT and increased for PIT. Slovenia applies standard write-off conditions such as time-barred debts, cases involving deceased or liquidated debtors, and insolvency. Between 2022 and 2024, VAT recovery rates decreased from 34.2% to 27.9%;

[32] Source: ADB, CIAT, IOTA, IMF, OECD, International Survey on Revenue Administration, Indicators: "Closing stock of arrears at year end as percentage of total revenue collected." and "Closing stock of collectable arrears as percentage of closing stock of arrears", http://isoradata.org

CIT recovery rates decreased from 39.2% to 33.6%; and PIT recovery rates increased from 18.9% to 21.2%.

Slovenia applies a uniform legal and procedural framework for all major tax types—VAT, PIT, CIT, and excise duties—under mutual recovery assistance. This uniformity ensures legal coherence and administrative simplicity. Cases involving multiple claims against a single debtor are relatively infrequent and do not impose an extraordinary burden, according to national authorities.

Slovenia does not currently track data on the frequency or resolution time of contested tax claims. Another source indicates that the time period for solving an administrative law case at first instance courts was 540 days in 2022 ([33]). However, disputed taxes can be the subject of recovery or precautionary measures. Precautionary measures can be taken to guarantee the recovery, without the need for a court order authorising these measures

Slovenia does not have specific legislation on cooperation between the administrator of insolvency proceedings and tax authorities. Administrators of insolvency proceedings have access to the debtors' property data from basic official records, but this does not include information obtained by the tax authorities from other Member States.

Slovenia does not apply a risk-based approach to tax debt recovery. The country is not listed among Member States that segment debtors by risk or behaviour. Enforcement actions follow standard procedures and are not prioritised using scoring models or payment histories. In addition, there is no evidence that Slovenia uses real-time information or automated triggers in the recovery process. Slovenia is also not listed among the countries using digital self-service tools (e.g. debtor dashboards or online payment plan options) to support recovery efforts.

Slovenia does not report on the cost of recovery actions, and no data is published on the effectiveness or return on investment of enforcement activities. Unlike some Member States, Slovenia does not monitor recovery performance using key performance indicators (KPIs) such as time to collect or cost-benefit analysis.

Slovenia has structured its Central Liaison Office (CLO) for recovery assistance with a clear, layered system designed to ensure both procedural compliance and operational efficiency. As of January 2025, the CLO is staffed by three full-time employees, with an expansion in recent years in response to the growing volume of mutual assistance requests. The administration follows a two-tier control mechanism. On the local level, management in regional offices oversees the timely and proper handling of recovery cases. At the national level, the CLO performs final checks on incoming and outgoing requests, including translation, legal accuracy, and formal validation. Slovenia's CLO acknowledges receipt of requests within one working day and verifies responses before transmission. Annual audits are conducted at randomly selected offices, and findings are used to provide tailored guidance and organize national workshops to strengthen the performance of CLO teams. Slovenia received from other EU Member States 226 requests for information in 2024 (compared to 156 requests in 2023) and 383 requests for recovery in 2024 (compared to 351 requests in 2023.

[33] Special file - Report "European judicial systems - CEPEJ Evaluation report - 2024 Evaluation cycle (2022 data) - European Commission for the Efficiency of Justice (CEPEJ).

While Slovenia makes substantial efforts to comply with Directive 2010/24/EU timeframes, it acknowledges that both internal and external obstacles impede consistent timeliness. Delays often result from resource shortages and complex enforcement proceedings in heavily burdened offices, though additional staff have been deployed to mitigate this. Slovenia adheres in principle to the 7-day acknowledgment and 6-month response deadlines but notes that these are not always respected, either domestically or by other Member States. Regarding e-forms, Slovenia highlights a recurring issue: numerous Member States misuse or incompletely fill critical fields (e.g. identification data, limitation periods), undermining recovery actions.

With regards to efficiency and obstacles in Mutual Recovery Assistance, Slovenia reports that mutual assistance under Directive 2010/24/EU has limited effectiveness, with recovery rates for cross-border requests remaining extremely low. As a requested Member State, Slovenia identifies five main obstacles: (1) lack of recoverable assets or bankrupt debtors; (2) poor data quality (e.g. wrong addresses or incomplete forms); (3) legal challenges and appeals that suspend enforcement; (4) slow or missing responses from applicant Member States; and (5) delays that render VAT refund recovery impossible. Between 2022 and 2024, Slovenia processed five major outgoing requests exceeding EUR 15 million in total. Despite the substantial amounts at stake, recoveries were very limited, with just EUR 10.61 million successfully recovered due to insolvency, account closures, or dissolved legal entities. Similarly, in its role as a requested Member State, Slovenia received five large recovery requests for a total amount of over EUR 37 million, all of which failed due to the absence of attachable assets or ongoing national insolvency. These cases illustrate the structural barriers to effective enforcement in the EU's mutual assistance framework.

4.1. Use of Directive on Administrative Cooperation (DAC) ([34]) Instruments and Data ([35])

Slovenia makes an extensive and efficient use of DAC1 ([36]) and DAC2 ([37]) data for assessing taxation on individuals. DAC1 (categories of income) ([38]) and DAC2 (financial accounts) data is currently used in the field of personal and corporate income tax, inheritance and wealth taxation, and social security contributions. Awareness campaigns are carried out and notifications to taxpayers are sent by the tax administration to prompt disclosure; DAC data is used for prefilling tax returns with certain categories of incomes. The information is also linked with the national database for the purpose of domestic risk assessment analysis ([39]). It may generate tax assessments and audits, but also

[34] Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC, as subsequently amended

[35] Source: Yearly Assessment 2025, EU AIAC Statistics 2024 – Subject to confidentiality clause on DAC art. 23a.

[36] Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC

[37] 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

[38] Income from employment, Director's fees, Pensions, Immovable properties.

[39] Risk assessment: tax risk assessment is a key element of modern tax administration. It allows tax authorities to identify indicators that suggest 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. Yet, a manual element may remain, as (i) tax

tax coding or estimation of future income. Moreover, Slovenia uses the information from DAC1 and DAC2 for tax recovery purposes, which is particularly relevant to reduce tax gap. The exploitation of the information led to a significant increase in the tax assessed.

DAC data matching rates concerning individuals ([40]) are high for DAC1 and DAC2. For the year 2024, the average matching rate, measuring success in identifying taxpayers with DAC data, is close to 99% for DAC1 ([41]), and to 87% for DAC2, the EU-average being 84% and 87% respectively.

Slovenia uses DAC3 ([42]) (rulings) and DAC4 ([43]) (country-by-country report) data thoroughly for risk-analysis purposes in the field of corporate income taxation. The percentage of reports identified successfully in 2024 is high: 96% for DAC3, 98% for DAC4. DAC3 and DAC4 reports are automatically processed to feed the risk assessment tools in the field of transfer pricing, base erosion and profit shifting matters, harmful tax practices, and risk of non-compliance by certain entities.

Slovenia has implemented a similar system regarding DAC6 ([44]) data. The whole data set available for identifying the relevant taxpayers is used by the tax administration, leading to a total matching rate of 99% in 2024. DAC6 data is mainly used for risk assessment, including assessing high-level risk of tax-harmfulness of arrangements reported; notification to generate disclosure, general audit, or audit limited to specific categories of transactions (e.g. transfer pricing). More specifically, DAC6 data has been integrated as a relevant source for case selection process, being always available for tax officers in charge of the taxpayers concerned. Moreover, Slovenia has an extensive practice in analysis based on the combination of DAC3 and DAC6 data, carried out by a dedicated group of experts.

Slovenia does not use the advanced instruments provided for in DAC to facilitate cooperation on specific cross-border issues, such as simultaneous controls.

In conclusion, Slovenia uses the data obtained from the automatic exchange of information in coherence with the objectives of the DAC, based on good practices in terms of risk analysis. Particularly advanced in processing and using data related to individuals (incomes and financial accounts), with a view to identifying critical situations that could affect its tax base, Slovenia also makes methodical use of data related to transfer pricing, base erosion and profit shifting and tax harmful arrangements in order to improve the impact of these exchanges of information on corporate income tax. Slovenia could strengthen its participation in multilateral controls (simultaneous controls and joint

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authorities vary in terms of whether tax risk assessment is conducted centrally by a specialist risk assessment team incorporating input from the compliance function, or locally by the compliance team (or tax inspector); (ii) some data types remain challenging to be automatically processed, e.g. literal summaries.

[40] 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.

[41] Average rate for data related to Income from employment, Director's fees, Pensions, Immovable properties

[42] 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

[43] 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

[44] 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

audits), as these coordinated activities usually lead to an increase of the tax assessed and, therefore, contribute to reducing the tax gap.

5. Digitalisation and Compliance

5.1. Digital Transformation, Skills, and Culture

Slovenia has not yet developed a formal strategy for digital transformation or for identifying future digital skills in its tax administration. However, it has developed a strategy to foster a digital culture within the administration, while a few other Member States have reported no action in any of these areas ([45]). The absence of a digital transformation strategy indicates that there is scope to increase the importance placed on embracing the digital transition in Slovenia.

Slovenia requires both individuals and businesses to use an approved digital identity to access online tax services ([46]). No information was found confirming whether this system fully applies the once-only principle, i.e., to ensure that citizens and businesses supply the same information only once. However, Slovenia did participate in The Once Only Principle Project in 2016 ([47]).

5.2. Front-end Digitalisation

5.2.1 Pre-filling

In Slovenia, pre-filling is available for PIT ([48]). Pre-filling helps taxpayer reduce the burden of compliance and decrease the likelihood of errors, especially for complex personal situations. This also benefits the tax administration with regards to tax certainty and reducing their administrative burden.

Pre-filling for VAT has been made available as of July 2025. Taxpayers that submit their data from VAT books to the tax authority in prescribed time receive pre-filled VAT returns, supporting lower compliance costs and reducing the risk of reporting errors, especially for smaller taxpayers with similar-like transactions.

However, pre-filling is not offered for CIT. This places Slovenia in line with most EU countries, where pre-filling for CIT is rare.

Survey results suggest that the ease of completing tax returns in Slovenia is slightly above EU average. Still, it can be assumed that the recent introduction of the pre-filled VAT return could further simplify compliance and contribute to more accurate and timely fulfilment of tax obligations.

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[45] OECD Inventory of Tax Technology Initiatives 2024. https://data-explorer.oecd.org/, Note that data is self-reported by tax administrations and therefore not 100 % objective or comparable.
[46] Ibid.
[47] Once Only Principle Project Overview.
[48] OECD Inventory of Tax Technology Initiatives 2024. https://data-explorer.oecd.org/, Note that data is self-reported by tax administrations and therefore not 100 % objective or comparable.

According to a recent Eurobarometer survey, which does not take into account the introduction of pre-filled VAT returns, 53% of citizens in Slovenia find it very easy or fairly easy to complete their tax return, slightly above the EU-27 average at 49%, placing them 12th among EU Member States ([49]).

5.2.2 E-filing

Slovenia shows strong performance in e-filing across all tax types, with near-universal digital filing rates. These high e-filing rates reflect an effective digital interface, likely due to user-friendly systems and mandatory digital submission. This positions Slovenia among the better-performing Member States in terms of compliance burden reduction.

The e-filing rate for PIT was 98.8% in 2023, well above the EU average of 87.1% for the same year ([50]). This represents an increase of 2.3 percentage points in Slovenia since 2018.

With regards to CIT, Slovenia has reported full e-filing uptake since 2018 ([51]). Slovenia remains above the EU average of 97.1% in 2023.

Slovenia also reports a 100% rate of e-filing for VAT returns ([52]). This is compared to the EU average of 99.2% in 2023. Slovenia has also had full uptake of this indicator since 2018. This should give them a better ability to analyse trends and detect non-compliance.

5.2.3 Provision of other online Services

Slovenia provides a range of online services including secure communication tools, tax calculators, facilities to request extensions to deadlines, taxpayer portals, and online account management. These features reduce in-person visits and simplify interactions, with a view to fostering compliant taxpayer behaviour. According to a recent Eurobarometer survey, 39% of citizens in Slovenia believe that support for filing tax returns provided by the tax administration is either fully adequate or mostly adequate ([53]).

5.3. Back-end Digitalisation

5.3.1 Use of Artificial Intelligence by the Tax Administration

Slovenia has fully implemented Artificial Intelligence (AI) in its tax administration since at least 2018. The Slovenian tax administration uses AI for external risk-management i.e. risk-scoring, the tool predicts the risks of tax non-compliance associated with individual taxpayers, to devise treatment

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[49] European Commission: Directorate-General for Taxation and Customs Union and Directorate-General for Communication, *Citizens' attitudes towards taxation – Eurobarometer report*, European Commission, 2025, https://data.europa.eu/doi/10.2778/6066713.

[50] International Survey on Revenue Administration data. https://data.imf.org/en/datasets/ISORA:ISORA_LATEST_DATA_PUB

[51] Ibid.

[52] Ibid.

[53] European Commission: Directorate-General for Taxation and Customs Union and Directorate-General for Communication, *Citizens' attitudes towards taxation – Eurobarometer report*, European Commission, 2025, https://data.europa.eu/doi/10.2778/6066713

strategies and select taxpayers for further audits. The machine-learning model uses 158 features, derived from taxpayer historical data. New risk-indicators are immediately transmitted to the system and the compliance risk register. Incidental reports attest that the Slovenian tax administration is experimenting with nudging tools, that adapt the language of standard communication to taxpayers to nudge them towards compliance ([54]).

5.4. Compliance Risk Management

5.4.1 Compliance Risk Management Strategy

Slovenia has a formal compliance risk management strategy in place, **allowing for identification, assessment and prioritisation of key compliance risks ([55]).** However, the only area covered by this strategy is audit and verification. The Slovenian tax administration does not make risks of non-compliance public on a regular basis, nor do they publicise the results of addressing these risks, which could act as a deterrent to non-compliance.

5.4.2 Audit Types

Slovenia applies a wide range of post-filing audit types. This includes desk audits, limited scope audits, and comprehensive audits. The tax administration also conducts avoidance and evasion investigations ([56]). It also conducts on-site inspections and uses pre-audit risk signals. This multi-level audit structure allows the tax authority to address both simple and complex non-compliance cases effectively. This indicates that the tax administration is well equipped to deal with different categories of risk in a manner that is resource efficient.

5.4.3 Staff Dedicated to Audit, Investigation and Other Verification Functions

The share of tax administration's staff dedicated to audit or similar functions in Slovenia was 18.32% in 2023, below the EU average of 32.2%. In Slovenia, this represents a slight decrease from 21.79% in 2018 (32.1% EU average) ([57]). Although this figure is not a concrete indicator of the strategy of the tax administration, the slight decrease between 2018 and 2023 could indicate that they have placed slightly less focus on allocating staff to audit functions, but this may have been influenced by the benefits of the longstanding use of AI for risk analysis in the Slovenian tax administration.

5.4.4 Additional Revenue from Audits as a Share of Total Revenue

The additional revenue from audits as a share of total net revenue in Slovenia are below the EU average. In Slovenia, the additional revenues raised from audits was equal to 0.64% of total net revenue in 2018 and 0.42% of total net revenue in 2023 which is well below the EU average for both years (respectively 2.77% and 1.6%), and the decrease from 2018 to 2023 follows a similar trend to the

[54] Slovenia - AI Country Report - AI Tax Administration.
[55] ISORA Database – tab "CRM Strategy".
[56] ISORA Database – tab "Post filing enforcement actions" and "interventions after filing, intervention effectiveness".
[57] Own elaboration based on ISORA Database.

EU average [58]. This information aligns with the decreased focus placed on audits outlined in section 5.4.3. There have been AI systems in place in Slovenia for risk detection for many years. This may have already had a positive impact on taxpayer compliance and could be an explanation for the low percentage of revenues collected from audits, as well as the relatively low importance (with regards to staff allocation) placed on audits by the tax administration.

5.5. Tax Complexity

Slovenia ranks 26th out of the 27 Member States in the Tax Complexity Index (TCI) ([59]), where a higher rank corresponds to lower tax complexity. The TCI is based on the Global MNC Tax Complexity Project, a joint research project of Deborah Schanz (LMU Munich) and Caren Sureth-Sloane (Paderborn University). The TCI 2024 places Slovenia 20th among the Member States with regards to Tax Framework Complexity, and 27th with regards to Tax Code Complexity. This suggests that multinationals face a rather complex CIT system in Slovenia, both in terms of the tax processes carried out by the tax authorities (notably in the area of appeals, according to the authors), and of the structure of the tax regulations (particularly in the area of transfer pricing, according to the authors).

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[58] Ibid.

[59] See: https://www.taxcomplexity.org/ The aim of the Global MNC Tax Complexity Project is to identify the determinants of tax complexity, to develop and maintain an index measuring the level of tax complexity across countries [Tax Complexity Index, TCI] and to examine the effects of tax complexity. The Tax Complexity Index measures the complexity of a country's corporate income tax system as faced by multinational corporations. The closer a country is to the first position of the ranking, the lower level of complexity it exhibits, and vice versa.