

# "FLAT-RATE" SOLE PROPRIETORS IN SLOVENIA 2025 / 2026

On 20. November 2025, the *Act on the Right to Winter Allowance and the Revision of the Tax Base Determination Taking into Account Standardized Expenses (Official Gazette of the Republic of Slovenia, No. 91/2025 of November 19, 2025)*, which also regulates the changed taxation system for "flat-rate" sole proprietors, who determine the tax base on the basis of flat-rate expenses.

## Entitlement and conditions for payment

New revenue conditions for entry into the system of determining the income tax base based on actual revenue and flat-rate expenses (hereinafter the **flat-rate system**) have been enacted. A taxpayer may enter the flat-rate system only if his or her revenue in the **preceding year does not exceed** the following thresholds:

Type of <b>flat-rate</b> sole proprietor	Entry threshold 1.1.2026 EUR	Entry threshold 1.1.2026 EUR
full-time	120,000	60,000
part-time	50,000	30,000

If the taxpayer did not carry on an activity in the previous year, the income from business activity for that year is deemed to be zero.

In their annual tax return for 2025 and later "**Flat-rate sole proprietors**" will also have to report revenue obtained from a **related party** or from an employer with whom they are in an employment relationship on the basis of an employment contract.

The taxpayer may enter the system as a *full-time flat-rate sole proprietor* provided that he or she is compulsorily insured on the basis of self-employment for full-time work (40h/we) for at least nine consecutive months in the current calendar year

If in a given year a full-time flat-rate sole proprietor wishes to enter the flat-rate system, the **last day for entry is 31 March**.

The **first day for exit** from the flat-rate system is **1 October** of the year in question. Otherwise, the condition of nine months of insurance for the current year will not be fulfilled.

To re-enter into the flat-rate system more than 5 tax years must pass after the exit from the system or the cessation of activity. The year of exit is not counted. This additional condition applies as of 1 January 2026. Taxpayers who left the system at any time up to 31 December 2025 may freely enter the flat-rate system in 2026.

**Example 1:** *The taxpayer left the flat-rate expenses system on 30 October 2025 and incorporated a limited liability company (d.o.o.). May he open a flat-rate sole proprietorship in March 2026?*

- › Yes, the five-year period requirement applies as from 1 January 2026.

**Example 2:** *The taxpayer ceased to carry on the activity on 1 March 2026. May he open a flat-rate sole proprietorship again in 2030 or earlier?*

- › No, because five years have not yet passed since cessation of the activity. The first day for re-entry into the flat-rate sole proprietor system is 1 January 2032. In the meantime, he may open a sole proprietorship that determines the tax base on the basis of **actual revenue and expenses**, and then in 2031 enter the flat-rate system.

## Determination of flat-rate expenses

The **determination of flat-rate expenses** for sole proprietors remains the same in 2026 as before, which means:

Table of flat-rate expenses for a **full-time sole proprietor**:

Revenue in EUR		Flat-rate expenses (% of expenses) in EUR		
above	up to			
	60,000	80%		
60,000		0%	above	60,000

Table of flat-rate expenses for an **"afternoon" sole proprietor**:

Revenue in EUR		Flat-rate expenses (% of expenses) in EUR		
from	to			
	12,500	80%		
12,500	30,000	40%	above	12,500
30,000		0%	above	30,000

For both a **full-time** and **afternoon flat-rate** sole proprietor the maximum flat-rate expenses will remain the same at **48,000 EUR** and **17,000 EUR** respectively.

### Tax rates

**Full-time flat-rate** sole proprietors will be taxed according to the following brackets:

from EUR	to EUR	tax rate EUR
	72,000	20%
72,000		14,400 + 35% nad 72,000

**"Afternoon" flat-rate** sole proprietors will be taxed according to the following:

from EUR	to EUR	tax rate EUR
	33,000	20%
33,000		6,600 + 35% nad 33,000

**Example 3 - 2025:** A **full-time flat-rate** sole proprietor who determines the tax base on the basis of flat-rate expenses had revenue from business activity of **140,000 EUR** in 2025 and **0 EUR** in 2024. How will they be taxed?

- › **Flat-rate expenses** = 60,000 EUR × 80% = 48,000 EUR; this is the general maximum amount of flat-rate expenses.

- › **Tax base** = 140,000 EUR - 48,000 EUR = 92,000 EUR.
- › **Tax on income from business activity** = 92,000 EUR × 20% = 18,400 EUR - final tax.
- › **Net revenue** = 140,000 EUR - 18,400 EUR = 121,600 EUR.

**Example 3A - 2026:** The taxpayer will have revenue from business activity of **140,000 EUR** in 2026 - what will the taxation be?

- › **Flat-rate expenses** = 60,000 × 80% = 48,000 EUR; this is the general maximum amount of flat-rate expenses.
- › **Tax base** = 140,000 - 48,000 = 92,000 EUR.
- › **The tax base for 2026** is taxed as follows:
  - 72,000 × 20% = 14,400 EUR
  - 20,000 × 35% = 7,000 EUR
- › **Tax on income from business activity:** 21,400 EUR - final tax.
- › **Net revenue** = 140,000 EUR - 21,400 EUR = 118,600 EUR.

With the same revenue from business activity, the tax burden of a sole proprietor who determines the tax base on the basis of flat-rate expenses will in 2026 (15.3%) be approximately **2.1 percentage points higher** than in 2025 (13.1%).

### Mandatory exit from the flat-rate system

A taxpayer must exit the flat-rate system if the **average revenue from business activity in the two preceding years** exceeds:

- 120,000 EUR, if the taxpayer was a full-time flat-rate sole proprietor in both years;
- 85,000 EUR, if the taxpayer was a full-time flat-rate sole proprietor in one year and an afternoon sole proprietor in the other;
- 50,000 EUR, if the taxpayer was an afternoon sole proprietor in both years.

A taxpayer who exceeds the above-mentioned two-year average already in the first year of business will therefore have to exit the flat-rate system after the first year.

The criterion for remaining in the "flat-rate" sole proprietor system in 2025 is an average income

from business activity for 2023 and 2024 together that does not exceed 150,000 EUR.



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