

WHAT WILL THE PREPARED DRAFT OF THE LAW BRING?

SUGAR TAX SWEETENED BEVERAGES IN SLOVAKIA AS OF 2025

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Effective from January 2025, the government plans to introduce a so-called sugar tax on sweetened beverages. The proposed law is part of consolidation package aimed on stabilising public finances. Similar tax is currently applied in several EU countries and some third countries as well.



The respective tax should be applied as a **one-stage indirect tax on the consumption** of soft drinks in Slovak Republic. Based on the proposed wording of the new legislation, the tax liability should arise at the moment of first supply of the beverage in the Slovak Republic.

SUBJECT OF THE TAX

Subject of the tax will be beverage with **added sugar or any sweetener** such as soft sweetened drinks, juices and energy drinks and concentrated substances with added sugar and any sweetener before consumption mixed with water or milk.



BEVERAGE WITH ADDED SUGAR OR
OTHER SWEETENER

According to the latest information, sweetened milk and yoghurt drinks, plant-based drinks, effervescent tablets, nutritional supplements such as over-the-counter vitamin tablets or protein drinks with added sugar or sweetener should not be subject to the sugar tax which the initial proposal of the new legislation included.



CONTAINING ONLY
NATURAL SUGAR



INFANT
FORMULAS



FOOD FOR
SPECIAL MEDICAL
PURPOSES



SUBSTITUTE FOR
A WEIGHT-
CONTROL DIET

As a result, the tax will not apply to beverages where no sugar or other sweetener has been added, e.g. pure fruit juices containing natural sugar only. At the same time, it is proposed to exempt from the tax beverages which represent infant formula, food for special medical purposes or a substitute for a weight-control diet.

THE TAX BASE

The tax base for packaged beverages and packaged concentrated substances (e.g. syrups or effervescent tablets) will be the quantity of the beverage expressed in litres. If the beverage is supplied in another units of measurement, it shall be converted into litres; or the tax base shall be the quantity in kilograms.

THE TAX RATE

The tax rate should be determined according to the category to which the type of beverage belongs. **Three categories are proposed**, namely

- ▶ **packaged ready-to-drink beverages**, where a rate of **EUR 0.15/litre** is proposed;
 - ▶ **packaged concentrated substances intended for the preparation of beverages**, where a tax rate of either **EUR 1.05/litre** is proposed if the beverage is supplied in any unit of volume, or **EUR 4.30/kg** if the beverage is supplied in any unit of weight; and the third category is
 - ▶ **packaged caffeinated beverages**, where a rate of **EUR 0.30/litre** is proposed (energy drinks).
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THE TAX PAYERS



The taxpayers will be the the beverage manufacturer, a **taxable person who produces the beverage in Slovakia and places it on the Slovak market.**



If the beverage is produced abroad (EU or non-EU countries), the person liable to pay tax will be the **supplier of the beverage**, which will also include e.g. operators of public catering establishments or food wholesalers if they sell beverages acquired from abroad.

The legislative proposal is still subject to discussions and the final form of the law is possible to change. In this context, we will continue to actively monitor the whole situation surrounding the tax on sweetened beverages.

If you would like to know more about this topic, please do not hesitate to contact the author of the article.



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