

Financing adult learning database

Name of the instrument - Local language	Dodatna splošna olajšava za dijake in študente
Name of the instrument - English translation	Student allowance
Scheme ID	195
Country	 Slovenia
Reporting year	2020
Type of instrument	Tax incentive for individuals
Sub-type of instrument	Tax support for families and their costs for education
Type of entry	Single instrument
Short description	Persons holding the status of a student are subject to a more favourable treatment for purposes of the withholding tax by the Student Work Service. The Student Work Service only withholds the tax when income of more than EUR 400 / month is paid out at once. However, if they earn more than the set amount that is dependent on the general annual tax allowance per year they pay tax according to the tax rate schedule.
Level of operation	National
Name of a part of the country	Not applicable
Name of the region (for regional instruments)	Not applicable
Name of the sector (for sectoral instruments)	Not applicable
Relevance	Key instrument
Legal basis	Zakon 117/06 Zakon o dohodnini (ZDoh-2) - Personal Income Tax Act, article 116
Objective(s) and target(s)	Not available
Year of implementation	2006

Year of latest amendment	2020
Operation/management	The operation/management of the incentive is under the Financial Administration of the Republic of Slovenia.
Eligible group(s)	Persons, who are receiving training and who have the status of a student, are entitled to a deduction of tax share. Additional eligibility criteria: - Being a resident or non-resident, if a special provision was included in the Double Taxation Agreement (DTA) concluded between their country of residence and Slovenia that allows for such a benefit; - Being 26 years old or younger, and earn income only temporarily and on the basis of a voucher from the competent authority; - Being 26 years old or older, but being enrolled in school before the age of 26. In this case, the allowance can be claimed 6 years from the date they enrolled in an undergraduate program and 4 years from the date they enrolled in a graduate programme.
Group(s) with preferential treatment	No preferential treatment
Education and training eligible	Formal education programmes (programmes leading to formal qualification, ISCED 3-8).
Source of financing and collection mechanism	State (loss of tax revenue)
Financing formula and allocation mechanisms	Resident students who work in Slovenia pay their income tax the same way as other employees employed on the basis of other contractual relationships. However, for reasons of their special status as students having a need to support their studies, they are subject to more favorable treatment for purposes of the withholding tax by the Student Services Office. The exception of students compared to other employees is that the Student Services Office only withholds the tax when the income of more than EUR 400 is paid out at once. This is also called a special personal student allowance according to the Slovenian Personal Income Tax Act. However, if they earn more than the set amount that is dependent on the general annual tax allowance per year they pay tax according to the tax rate schedule.
Eligible costs	Fees and other costs related to education and training
Volumes of funding	Not available
Beneficiaries/take up	The estimated number of beneficiaries:2018: 27 000 2019: 26 000 2020: 13 000 The total number of beneficiaries is estimated on the basis of the available data of the total number of persons (women and man separately) who work through student contracts.
Organisation responsible for monitoring/evaluation	Financial Authority

Monitoring/evaluation reports available	Not available
Most relevant webpage - in English	https://www.fu.gov.si/en/
Most relevant webpage - local language	http://www.fu.gov.si/
Recent changes	<p>01-01-2020. General tax relief for Slovene tax residents was introduced (it increased from 3,302.70 to 3,500 per annum). Tax rates for private income (interest, dividends, capital gains, rental income) increased. There were other changes introduced regarding valuation of taxable car benefits and changes in taxation of income from independent activities. The amendments lead to a decrease in personal income tax on employment income but an increase in tax on "private" income.</p> <p>Recent changes in response to COVID-19</p> <p>No changes</p>
Sources	http://www.fu.gov.si/