ECONOMIC AND BUSINESS REVIEW

Volume 23
Issue 4 *Thematic Issue: The Economic and Social Impacts of Covid-19*

Article 2

12-2021

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Recommended Citation

Kovač, P., & Klun, M. (2021). An Analysis of the Slovenian Tax Administration Response During COVID-19: Between Normative Measures and Economic Reality. *Economic and Business Review, 23*(4), 234-250.
https://doi.org/10.15458/2335-4216.1289

ORIGINAL ARTICLE

An Analysis of the Slovenian Tax Administration Response During COVID-19: Between Normative Measures and Economic Reality

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Abstract

Tax administration plays a key role in tax collection, striving for maximum public finance revenue, while at the same time protecting the rights of the taxpayers in tax collection procedures. The search for this balance is particularly relevant in times of crisis, as shown by the COVID-19 pandemic, especially in the first wave between March and June 2020. The article deals with the legal and economic aspects of work of the Financial Administration of the Republic of Slovenia (FARS) based on comparable data on tax measures in other countries, provided by international organizations such as IOTA and OECD, i.e. the EU. The article finds that in Slovenia the measures under consideration were often questionable already at the formal level, which led to a gap in the implementation of 'intervention laws' despite the relatively agile response by FARS. Nevertheless, it can be concluded that Slovenia's public finance measures match the measures taken by other EU Member States. Also worth mentioning in such regard is that some of the measures, for example those regarding e-operation, were identified by both FARS and taxpayers as improvements to be preserved even after the pandemic, considering tax administration as a service for the state and taxpayers.

Keywords: Tax administration, Tax procedure, COVID-19, Intervention laws and measures, Financial Administration of the Republic of Slovenia (FARS), International comparison

JEL classification: K34

Introduction

In order to function properly and enjoy fiscal sovereignty, every country needs financial resources, the provision of which is largely ensured through tax collection by the national tax administration. The latter collects taxes in various procedures whereby, according to the convergence rules of the European Union (EU) and the national laws of the Member States, the tax procedure is considered a predominantly administrative relationship. As such, it is characterised by several specific features, for example statute of limitation or an emphasised *ne bis in idem* rule, as tax collection is a procedure in the public interest in the sense of filling the public coffers, while maintaining concern for a balanced protection of rights (more on development within the EU see Nykiel & Sek, 2009, and Pistone, 2020). The tax system and public finances have several functions. In addition to the basic financial purpose of taxes and allocation of public goods (the regulatory function), particularly in times of a crisis the redistribution and stabilisation functions come to the fore (Klun & Jovanović, 2016). Tax administrations are organised differently in different countries, yet share some common principles and rules of operation, mostly deriving from EU directives and their further transposition into national law.

Tax collection is a challenging task already in "normal" circumstances. Though, when any major crisis occurs, the regulators of tax legislation as well as tax administrations need to deal with the

Received 5 August 2020; accepted 30 December 2020.
Available online 23 December 2021.

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https://doi.org/10.15458/85451.1289

additional challenges, since even taxpayers that would usually contribute to public spending simply do not have the same amount of resources at their disposal due to the highly reduced business and consumption. With the spread of the SARS-CoV-2 virus resulting, according to the World Health Organization data, in over 84 million infections and 1.843 million confirmed deaths globally, and the corresponding limiting business measures, the COVID-19 pandemic has affected practically all dimensions of society. Accordingly, there is no doubt that the year 2020 can be labelled as a major health, economic and social crisis period, which will require at least several years to bridge the gaps developed as opposed to operations before the pandemic. This involves the rights exercised and the obligations imposed in the relations between authorities and individual citizens and businesses generally, as well as the collection of taxes and social assistance particularly. A key guideline in the design and the implementation of specific public policies and the legal regulation of administrative procedures in times of crisis is to provide a proportional protection of the public interest in terms of still assured public finances and the facilitation of taxpayers that face difficulties in their operation and income earning (Kovač & Kerševan, 2020). A major crisis hereby, as observed already in the first wave of the pandemic in the spring of 2020, requires not merely a revision but a radical shift from the existing rules and procedures. This is the case especially for Slovenia. Namely, Slovenia had over 125,000 COVID-19 cases and 2800 related deaths confirmed until December 2020, which places the country with its two million population as the second one (after Belgium) by deaths per capita worldwide.

The purpose of this article is to analyse the work of the Slovenian tax administration in the light of the intervention measures adopted during the COVID-19 pandemic, primarily in the spring of 2020. Further, we aim to compare the adjustments in tax codification and tax procedures run with other countries or tax administrations' responses, based on the data deriving from the Intra-European Organisation of Tax Administrations (IOTA) and the Organisation for Economic Co-operation and Development (OECD). Thereby, we identify the strengths and weaknesses of the Slovenian legal regulation and implementation of tax (and social benefits) regulations within the competence of the tax administration, in order to improve the normative and empirical aspects in the future.

Based on the Communicable Diseases Act, Slovenia declared an epidemic on 12 March 2020 by adopting the Order on the Declaration of the COVID-19 Epidemic in the Territory of the Republic of Slovenia.[1] The epidemic was officially declared over on 15 May 2020 with effect from 1 June 2020. The official revocation of the epidemic is important as it affects the duration of the measures discussed below. Further, the government in mid-October 2020 declared the second wave of the COVID-19 epidemic with rather severe comparable measures (e.g. schools in Slovenia operating exclusively online from October 2020 even until January 2021). Slovenia managed to overcome the first wave mostly rather effectively, yet in the autumn and winter of 2020, unfortunately, Slovenia was among the three most affected countries in the EU. However, a state of emergency, which can otherwise be declared pursuant to the Constitution of the Republic of Slovenia, has never been declared—had it been, the competences of individual branches of government to remedy the situation would have been regulated differently (Avbelj, 2019; Zagorc & Bardutzky, 2020).

The article starts with an analysis of the responses of countries, i.e. governments and tax administrations, to COVID-19. This is followed by a study of the related intervention measures in Slovenia and of FARS work with an emphasis on the first wave, since the latest measures are mostly recurring the former ones from spring 2020 and the effects of the most recent intervention laws cannot be evaluated yet. This analysis is concluded by ranking the adopted tax measures and FARS work according to the models of agility (Beck et al., 2001; Greve et al., 2019; Mergel, Ganapati & Whithford, 2020) and co-production (Ostrom, 1996; Steen & Brandsen, 2020). These two innovative approaches in public administration seem to be crucial for resilient administrative and tax systems in the long run, as they ensure sustainable development for various stakeholders in the economy and social communities, which is a goal of the public administration and the tax administration also according to the OECD and IOTA. From an economic point of view, the measures are comparatively analysed in terms of the scope of tax liability and other impacts on the functioning of the economy and effects on households. The following two hypotheses are tested:

[1] Official Gazette of the Republic of Slovenia (OGRS), No. 19/20, based on the Communicable Diseases Act (in Slovenian: *Zakon o nalezljivih boleznih (ZNB)*, OGRS, No. 69/95, 47/04, 119/05, 33/06, 49/20-ZIUZEOP).

– H1: In Slovenia, internationally comparable intervention measures to curb COVID-19 have been adopted at the normative level concerning the work of the tax administration in support of the taxpayers.
– H2: In terms of scope and type of measure, the tax intervention measures in Slovenia are comparable to those in other countries.

In the further discussion of the adopted measures and their subsequent implementation, the article explores which segments can be assessed as positive and where there are necessary or possible opportunities for improvement, as any crisis as is COVID-19 brings both challenges and lessons to be used when the situation returns to normal.

1 A brief legal and economic outline of tax collection in Slovenia and the EU

In Slovenia, EUR 17.6 billion of general government revenue was collected in 2019, of which EUR 10.733 billion was allocated to the state budget.[2] Slovenia has been a member of the EU since 2004 and of the Eurozone since 2007. The EU funds represent about 10% of the state budget, while the country contributes to the EU about a half of that, i.e. around EUR 500 million. Slovenia is a small country with approximately 2 million inhabitants and 250,000 companies, of which over 90% are small and medium-sized. The timeline shows an increasingly efficient collection of public duties, as 5.7% more funds were collected in 2019 than in 2018 and the tax debt dropped by 2 percentage points. Real GDP per capita in 2019 amounted to EUR 20,490, i.e. 73% of EU-27 (Eurostat, 2020). In terms of purpose of spending, data relating to the 2020 state budget show the highest spending in social security (approximately EUR 2.155 billion, including pensions for around 600,000 pensioners[3]), nearly 20% in education and sports and a further 12% in security, while less than 2% of the state budget is allocated directly for entrepreneurship and competitiveness. However, in Slovenia and other countries alike, these proportions will need to be redefined for the current and subsequent years because of the COVID-19 pandemic, declared by the World Health Organization and by most countries in mid-March 2020. Thus, in the middle of the year, Slovenia revised its budget owing to at least two-month economic stagnation, decreased exports and imports, lower consumption and investment, unemployment, etc. For Slovenia, this means an estimated 6.6% drop in GDP (IMAD, 2020). IMF and EBRD predict a similar forecast for Slovenia. In fact, the available data show that during the declared epidemic, tax revenues in Slovenia went down until the end of November by 7.5% compared to the same period in 2019.

Since 2014, the Slovenian tax administration has been a part of the Financial Administration of the Republic of Slovenia (FARS) governed by the Financial Administration Act (FAA),[4] together with the relevant tax and procedural laws. The latter include the Tax Procedure Act (TPA) and the General Administrative Procedure Act (GAPA).[5] Despite its detail norms, GAPA application is important as it ensures the constitutional principles of equality, non-retroactivity, the right to be heard, judicial review, etc. The TPA and the GAPA also set *de minimis* standards of fair trial. The legal regulation of taxes is based on several provisions of the Constitution of the Republic of Slovenia, such as determination of taxes by law, equal protection of rights, etc. The Constitution requires that the law determines the taxpayer, the tax subject, the tax base and the tax rate, without retroactivity (Avbelj, 2019, commentary to Article 147 of the Constitution). So far, Slovenia has not reported any major problems regarding tax regulations and the work of the tax administration to the EU. One of the rare cases at the EU Court of Justice is the *Pelati*[6] case of 2012 concerning the setting of deadlines under the national corporate income tax act. The Court then ruled that the Slovenian regulation complied with the principle of equivalence, which was however contrary to the principle of effectiveness, due to binding the taxpayer's application for a tax refund to a period that was not in the area of influence of the taxpayer but of the court. FARS comprises the General Financial Office, the Special Financial Office and 15 regional financial offices employing about 3600 people in 2019, of which 2849 authorised official persons, over

[2] Data taken from the FARS 2019 Annual Report (published in February 2020). Slovenia has four public coffers: in addition to the general and local governments, there are also the pension and health insurance schemes. The main source of revenue planned for 2020 is VAT (39%), followed by personal income tax (approximately 13%) and corporate income tax (10%).
[3] This is a state budget contribution to the Pension and Disability Insurance Institute as the collected contributions for pension and disability insurance do not suffice to cover all the pensions in the country.
[4] In Slovenian: *Zakon o finančni upravi (ZFU)*, OGRS, No. 25/14.
[5] TPA in Slovenian: *Zakon o davčnem postopku (ZDavP-2)*, OGRS, No. 117/06 and amendments; cf. Jerovšek et al., 2008. GAPA in Slovenian: *Zakon o splošnem upravnem postopku (ZUP)*, OG RS, No. 80/99 and amendments. For GAPA application with highlights from case law in tax matters see Kovač & Kerševan, 2020.
[6] C-603/10 *Pelati d.o.o. in the Republic of Slovenia*, 18. 10. 2012, ECLI:EU:C:2012:639.

1000 controllers, about 420 inspectors, and almost 400 debt collectors. There are around 3 million taxpayers in Slovenia. Several types of tax procedure apply, covering accounting and assessment, supervision (investigations, control, inspection) and recovery, international cooperation, exchange of information, as well as punitive measures.

As regards its tax system, which the EU leaves to its discretion, Slovenia is, generally speaking, a moderate country—it is not a forerunner in innovative approaches, but follows the trends and strives, inter alia, for the systemic removal of administrative burden (for Slovenia see Jerovšek et al., 2008; Kovač, 2018; comparatively Pistone, 2020). This also reflects in the digitalisation of tax procedures, supported in particular by the online and mobile system *eDavki* (eTaxes), which proved to be an effective information tool even before the COVID-19 outbreak and enabled paperless procedures also during the coronavirus crisis.

2 Analysis of intervention measures in terms of the work of tax administration

2.1 An international comparison of the key measures concerning the work of the tax administration in tax procedures

Although COVID-19 has affected the global environment, the countries, even within the EU, have been seeking the most appropriate responses mostly independently, both in general (see Sigma, 2020) and in the tax area (as shown by comparisons provided by IOTA, 2020, and OECD, 2020; more in Rogers-Glabush & Morales, 2020; EC, 2020). This relative decentralisation or even dispersion is certainly a reflection of several factors, from the suddenness and scale of COVID-19 that required a rapid response without the possibility of at least regional coordination, from the countries' focus on their own systems despite global competitiveness to the countries' autonomy in tax matters in the EU. Nevertheless, the comparison of national measures indeed shows convergence in the responses to COVID-19—at least in terms of the type of measures, although the details and particularly the overall scope of funds to restart the economy vary greatly.[7] The similarities and differences are both positive and negative, featuring for example in the tax field and especially in Slovenia an often reactive instead of anticipatory top-down approach (cf. Sigma, 2020).

The differences between countries can roughly be divided into (i) those concerning normative regulation, above all intervention laws for the period during and after COVID-19, and (ii) those concerning non-normative adjustments of the tax administration and other administrative bodies in terms of work organisation, management, e-procedures, etc. In the latter case, the factors of flexibility seem to have been the cultural orientation of the administrative system in relation to the taxpayers and the economy, as well as the targeted orientation of governments with top-down approaches or unclear guidelines and shifting responsibilities to individual bodies. Experience, for example from the post-2008 economic crisis, shows that in times of a crisis, sustainability and system incoherence manifest themselves even more profoundly than usual. Therefore, given the intertwining of the two (i and ii), measures at both levels need to be considered systemically, be it tax relief and deferrals or other fiscal and liquidity approaches.

The existing institutional and individual analyses of anti-coronavirus measures feature quite different categorisations, as each organisation or researcher uses a different reference scale.[8] In order to meet the purpose of this article in the sense of placing the Slovenian tax administration in a comparative context, the IOTA categorisation focusing on tax administrations and support for the taxpayers is taken as a reference. FARS is also a member of IOTA, although it has not provided either data for the original analysis made in early April 2020 (Version 1.0) or the final analysis of the first wave (Version 3.0 from 7 May 2020), so it is particularly interesting to analyse its work in this context, too. According to the IOTA categorisation in its final document, 63 reporting countries have convergently (i.e. most of them at least one segment) adopted four sets of measures, further divided into several sub-measures. The main ones are: (1) measures extending the deadlines for taxpayers, deferrals, suspensions, lower penalties, etc., also including various social benefits to households and businesses

[7] Germany is undoubtedly leading the way in the EU, not only in absolute terms, but also in terms of the relative share and timing of grants, loans and investments. Slovenia is expected to allocate app. EUR 8 billion (in seven packages of measures) to provide aid and restart the economy, which is to be ensured through the European Central Bank and from the euro stability mechanism, as well as domestic businesses and pension funds. According to the Slovenian Government and its experts, direct state aid to the economy is expected to total about 5% of GDP, which is close to Germany's 7% of GDP (approximately).

[8] E.g. Sigma (2020) leans its analysis of public administration responses to COVID-19 on elements of good governance according to the *Principles of Public Administration* (2017), which serve as requirements for candidate countries for full EU membership. They include policy co-ordination, public service & HRM, accountability, service delivery, public financial management, public procurement.

(cf. OECD, 2020); (2) prompt refunds; (3) changes in control and increased tax certainty; (4) customised communication or services.

The same is true according to the OECD (2020) analysis made in spring where around 70% of tax reports highlighted (i) tax payment deferrals, while about a third of the countries reported (ii) more flexible payment methods, (iii) extended application and payment deadlines, and (iv) enhanced tax refunds, particularly for businesses rather than individuals. Evidently, all measures together provide the basis for appropriate bridging effects, yet of course, the countries differ considerably in speed of response, method of adopting individual reliefs, scope of support, duration, graduation of measures, targeting of taxpayer groups, etc. This is another reason for expecting quite different measurable effects of support, which is further emphasised if countries opt for partial and non-analytically graduated measures (Damijan, 2020). In its May 2020 analysis of the measures taken by countries, the OECD notes, among other things, that various phases of policy change must also be taken into account, particularly immediate response and limiting the damage, followed by recovery and resilience and debt management. For the tax area, this means providing liquidity, solvency and income support in the first part, and fiscal stimulus and (new) revenues in the second. Therefore, a policy adaptation from maintaining economic capacity to economic recovery for businesses and households is expected in the future. Lower tax revenues are in fact expected for a few more years, due to both direct crisis effects and intervention measures. The OECD thus expects new measures differing by country and by individual most affected sectors and social groups.

2.2 Analysis of adopted measures on FARS work by legal basis and content

Slovenia officially declared the epidemic on 12 March 2020 which, unlike in other countries, especially in the EU, coincided with the change of government on 13 March 2020 from a left-centre to a right-wing government (Zagorc & Bardutzky, 2020). As expected, the newly elected government adopted the measures quickly and in a rather authoritative way. Such an approach could indeed compare Slovenia to for example Austria, considered exemplary by IOTA and an obvious role model for Slovenia, but short-term analyses of the constitutional disputability of individual regulations, the relative delays and only partial implementation of the measures quickly showed that curbing COVID-19 was a tough nut to crack. The Slovenian authorities seem to have responded with a mixed approach. On the one hand, several eminent economists (known as the 'Lahovnik Group' led by Professor of Economics and former Minister of the Economy) were recruited from March 2020 on to prepare measures for data-based and professional decision-making. Moreover, a strategic council for de-bureaucratisation of the tax, economic and environmental fields led by former Director General of the tax administration was established in May 2020. The government also cooperated with professional associations (e.g. Chamber of Commerce and Industry, Chamber of Craft and Small Business) and trade unions, especially in relation to the second package of measures. On the other hand, measures and regulations were supplemented and corrected on a weekly basis and therefore at least partially vaguely interpreted in terms of effect or validity period and groups of beneficiaries.[9]

Between mid-March and 31 December 2020, seven laws known as anti-corona packages (ACP; in Slovenian PKP1–PKP7) were adopted. The first one was worth around EUR 2.8 billion, the second, third and sixth ones around EUR 1 billion each, while the fourth, fifth and seventh approximately half a billion each, in sum around EUR 8 billion (Government of Slovenia, 2020). The impact assessment relates to both direct payments and for example tax exemptions (which according to certain criteria should be defined as deferrals and vice versa). The anti-corona packages were predominantly *materia legis*, regulating rights and obligations in relation to the authorities. Two laws are procedural as part of ACP1 and enacted in-between ACP6 and ACP7, i.e. Act Determining Provisional Measures for Judicial, Administrative and Other Public Matters to Cope with the Spread of SARS-CoV-2 (COVID-19) (OGRS, No. 36/20, 61/20), and further Act Determining the Intervention Measures to Mitigate the

[9] There was only one example outside the narrower tax area, which did not even seem economically justified (Damijan, 2020), namely one-off payments to e.g. students and pensioners. As regards students, the law adopted in March 2020 granted them a one-off payment of EUR 150, but things got complicated as it was unclear who exactly the beneficiaries were and what the procedure for granting such right was. Moreover, it was only in the second half of April that the Ministry of Education developed an application for filing the request for such payment, which was not even provided for in the law. Anyway, a subsequent amendment to the law specified that the sole beneficiaries were full-time students enrolled in full-time study programmes, whereas a new intervention law extended such right to part-time students as well.

Consequences of the Second Wave of COVID-19 Epidemic (OGRS, No. 175/20), aimed at procedural simplifications in general (not tax matters only).[10] As for the substantive law, all of these acts below relate in particular to tax matters, of which, at least indirectly, the first four adopted by July 2020 address the first COVID-19 wave and the other three from October to December 2020 cover the second COVID-19 wave:

1. Act Determining the Intervention Measures on Salaries and Compensations (OGRS, No. 36/20, 49/20-ZIUZEOP, 61/20-ZIUZEOP-A, 80/20-ZIUOOPE),[11]
2. Act Determining the Intervention Measures to Contain the COVID-19 Epidemic and Mitigate its Consequences for Citizens and the Economy (OGRS, No. 49/20, 61/20, 152/20-ZZUOPP, 175/20-ZIUPDVE),[12]
3. Act Determining the Intervention Measures to Mitigate and Remedy the Consequences of the COVID-19 Epidemic (OGRS, No. 80/20, 152/20-ZZUOPP, 175/20-ZIUOPDVE, 203/20 – ZIUPOPDVE),[13]
4. Act Determining Intervention Measures to Prepare for the Second Wave of COVID-19 (OGRS, No. 98/20,152/20-ZZUOPP),[14]
5. Act Determining Temporary Measures to Mitigate and Remedy the Consequences of COVID-19 (OGRS, No. 152/20,175/20-ZIUOPDVE),[15]
6. Act Determining Intervention Measures to Prepare for the Second Wave of COVID-19 (OGRS, No. 175/20, 203/20 – ZIUPOPDVE),[16]
7. Act Determining Intervention Measures to Assist in Mitigating the Consequences of the Second Wave of COVID-19 Epidemic (OGRS, No. 203/20).[17]

The most recent intervention laws addressed in tax issues especially VAT and social contributions by the ACP6 in force by the end of 2020, with possible governmental prolongation by 2022 enacting deferrals and instalments. Further, through the ACP7 the tax exemptions of some special allowances granted to workers with lower pays were enacted. At the same time, an amendment to the TPA was tabled due to the COVID-19 interference with the six-month deadlines to report on cross-border arrangements under DAC6,[18] so that the first reporting or data exchange would take place in January/February and April 2021 instead of July/August and October 2020, respectively.

Under the above laws, FARS is designated as either a direct provider (e.g. deferred deadlines in tax proceedings) or indirectly as a controller (e.g. when checking that the universal basic income intended for entrepreneurs is not obtained by ineligible taxpayers). The mentioned legislation also directly affected the FARS employees, as they largely—at least for a few weeks—used the possibility of (forced) waiting for work at home. As regards FARS activities, it will be eventually necessary to take into account that according to the TPA, the tax administration also performs procedures under other regulations, in particular the recovery of misdemeanour fines, many of which were issued by health inspectors at the peak of the epidemic.[19]

The reported numbers of publication of the above-mentioned laws in the national official gazette demonstrate that in a relatively short time new laws were adopted to correct previous laws, including provisions related to tax matters and rather fundamental rights (cf. Nyamutata, 2020). Although this is typical to a certain extent of almost all countries, the Slovenian tax administration will need to take better care in applying the relevant law in the right time.

[10] In Slovenian: *Zakon o začasnih ukrepih v zvezi s sodnimi, upravnimi in drugimi javnopravnimi zadevami za obvladovanje širjenja nalezljive bolezni SARS-CoV-2 COVID-19 (ZZUSUDJZ)*, http://www.pisrs.si/Pis.web/pregledPredpisa?id=ZAKO8183; *Zakon o interventnih ukrepih za omilitev posledic drugega vala epidemije COVID-19 (ZIUOPDVE)*, https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina?urlurid=20203096.

[11] In Slovenian: *Zakon o interventnih ukrepih na področju plač in prispevkov (ZIUPP)*, http://www.pisrs.si/Pis.web/pregledPredpisa?id=ZAKO8181.

[12] In Slovenian: *Zakon o interventnih ukrepih za zajezitev epidemije COVID-19 in omilitev njenih posledic za državljane in gospodarstvo (ZIUZEOP)*, http://www.pisrs.si/Pis.web/pregledPredpisa?id=ZAKO8190.

[13] In Slovenian: *Zakon o interventnih ukrepih za omilitev in odpravo posledic epidemije COVID-19 (ZIUOOPE)*, http://pisrs.si/Pis.web/pregledPredpisa?id=ZAKO8206.

[14] In Slovenian: *Zakon o interventnih ukrepih za pripravo na drugi val COVID-19 (ZIUPDV)*, http://www.pisrs.si/Pis.web/pregledPredpisa?id=ZAKO8231.

[15] In Slovenian: *Zakon o začasnih ukrepih za omilitev in odpravo posledic COVID-19 (ZZUOOP)*, http://pisrs.si/Pis.web/pregledPredpisa?id=ZAKO8254.

[16] In Slovenian: *Zakon o interventnih ukrepih za omilitev posledic drugega vala epidemije COVID-19 (ZIUOPDVE)*, http://www.pisrs.si/Pis.web/pregledPredpisa?id=ZAKO8272.

[17] In Slovenian: *Zakon o interventnih ukrepih za pomoč pri omilitvi posledic drugega vala epidemije COVID-19 (ZIUPOPDVE)*, https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2020-01-3772?sop=2020-01-3772.

[18] Directive 2011/16/EU. Considering Council Directive (EU) 2020/876 of 24 June 2020 amending Directive 2011/16/EU, OJ, L 204/46, which represents a rapid and coherent response within the EU and allows the Member States to defer, by its transposition into national law, certain time limits for the filing and exchange of information on reportable cross-border arrangements.

[19] According to the Health Inspectorate, between March and May 2020 more than 6000 inspections were carried out in Slovenia and over 8000 proposals for the imposition of fines were received from the Police. E.g. a few dozen fines were imposed in just two months for violations of the ban on the sale of goods and services, and over 1200 fines for violations of the prohibition of movement. However, already in early October 2021 the Health Inspectorate carried out over 47,000 inspections in this year, mostly issuing administrative measures and fines, the latter to be enforced by tax offices unless paid in due time voluntarily.

This is already a frequent controversy in Slovenian administrative and judicial practice due to the principle of legitimate expectations (more in Kovač & Kerševan, 2020, commentary to Article 6 of the GAPA). However, the problem of legal (un)certainty is increasing over time, mostly in the second COVID-19 wave due to the autumn 2020 intervention laws (i.e. ACP5, ACP6 and ACP7). Some of these laws revive earlier measures not in force in summer, some prolong them even to 2022, some introduce new and some modify previous benefits, which consequently leads to many confusions even among accountants and specialised tax advisors.

In order to at least reduce the level of uncertainty, FARS soon set up a website with a selection of frequently asked questions and answers about 'corona measures' in the field of taxation. The list is frequently updated (e.g. over ten times in June 2020 only) to respond to the needs in practice and contains over 100 FAQs with app. 60 pages. In addition, there are special explanatory notes published for each of the ACPs adopted in autumn 2020, that is 22 pages with 65 questions and answers only for the ACP7 from 31 December 2020, 24 pages with 47 questions regarding the ACP6, and 23 pages regarding the ACP5). The most frequently questioned measures and dilemmas, particularly in the first wave, include:

– extension of deadlines for the submission of tax returns, accounts and legal remedies, payment of taxes and instalments, record keeping and reporting, expiration and suspension of various material and procedural deadlines, especially in inspection proceedings;
– reduction of the tax base and advance payments, (non)running of interests, amount and type of exemption (e.g. VAT for the purchase of protective equipment)[20], tax deferrals, write-offs and instalment payments and the procedure to claim such, particularly in case of disease, quarantine or (self)isolation, waiting for work, remote work or absence for caring for children during kindergartens and schools closure;
– measures related to wages, from deadlines for submitting the necessary forms and exemptions from payment of pension and disability insurance contribution (which is one of the four mandatory contributions in Slovenia) for work during the epidemic, to state aid, reimbursement of wage compensation during temporary waiting for work, and partially subsidised short-time work;
– eligibility and deadlines for payments and refunds, eligibility and procedure for obtaining monthly or basic income, for example for sole proprietors (EUR 700 per month in case of reduction in business), or a one-off crisis allowance[21];
– duration of individual measures and application of transitional and final provisions of intervention laws.

A comparison of Slovenian measures according to the IOTA and OECD categorisation is presented in Table 1.

It can be concluded that, considering comparable European countries, Slovenia adopted most of the measures as a direct response to COVID-19 at the level of laws, thus confirming our H1 that Slovenia adopted internationally comparable intervention measures to curb COVID-19 at least normatively. Namely, Table 1 reveals almost the same measures for Slovenia as have been codified in other (European) countries, particularly procedural simplifications, deferrals and exemptions (see under 1). Yet one can detect some significant differences between Slovenia and the exemplary EU member states regarding the intensity of measures in the fields of quick refunds and adjusted audits (2 and 3), however, these areas are mainly the result of slow response of the regulator rather than unequal national laws by their content.

At the same time, it can be noticed that the Slovenian tax administration responded relatively quickly in implementing these laws, but generally speaking its methods of work and thus rapid effects were rather reactive than proactive, probably also due to fear of non-compliance risks.[22] On the other hand, FARS systematically used the already

[20] See also Commission Decision of 3 April 2020 on relief from import duties and VAT exemptions due to the COVID-19 outbreak. There were more exemptions enacted with the intervention laws in the second COVID-19 wave.

[21] Moreover, with the ACPs adopted in autumn and winter 2020 other measures were enforced, such as more one-time or even monthly allowances for employees with lover income (EUR 200), pensioners (up to EUR 300), students (EUR 150), church workers (EUR 700), etc.

[22] E.g. if the application had been filed in mid-April, the first payment of the basic income for March 2020 for the self-employed was made on 25 April; if the application had been filed between 19 and 30 April, the payment for March or April was made only on 10 May 2020; if the application had been filed in May, the payment was made on 10 June 2020. This is noticeably longer than in several comparable countries. Moreover, users reported that filling out the applications (via the *eDavki* system) was not easy. According to economists, a rapid delivery of support was critical particularly in the first weeks, including cutting red tape and using new technologies for businesses and households alike (Marron & Makiw and OECD, 2020). On the other hand, especially from an economic point of view, also the taxpayers must seek balance between the benefit of the aid and the burden of its receipt, especially as aid always means more ex-post controls.

established good practices of digitalisation of procedures. In the first months mostly affected by the pandemic, i.e. April and May 2020, FARS collected about 40% less taxes each month than in the same period in 2019: in May, a total of EUR 861.3 million were collected, which is EUR 572.4 million less than in the same month last year. In July and August 2020, FARS collected more taxes than in 2019 (EUR 173.9 million), the next small drop started in September (EUR 0.3 million), while in October and November the drop was larger (EUR 71.2 million). The taxes that fell the most were taxes on profit and income, also due to exemptions from certain tax advances.

2.3 Comparison of intervention measures in Slovenia by impact on tax liability

A closer look at tax-related measures shows a more detailed picture of whether the measures have the effect of reducing the tax liability, exemption or deferral and, consequently, an impact on budget revenues. As already presented in the previous section, the measures can be classified into different groups (Table 1 shows the basic four groups). In order to compare the measures more easily, the first group is analysed in more detail below.

The direct and indirect intervention tax measures in Slovenia include:

- extension of deadlines for submission of annual corporate income tax (CIT) and personal income tax returns for income from activities,
- a simplified procedure for applying for a reduction in advances for the two taxes in question,
- non-payment of the advance payment instalment for April and May for both taxes,
- exemption from the payment of social security contributions for self-employed persons who were unable to perform their activities or who performed them to a significantly lower extent,
- deferral of the payment of social security contributions for self-employed persons during the epidemic until March 2022,
- exemption from the payment of pension and disability insurance contributions for employees who worked during the epidemic,
- exemption from the payment of VAT on protective equipment intended for certain institutions,
- a 100% relief on donations to a special fund opened by the state to mitigate the consequences of the epidemic,

Table 1. Comparison of anti-corona tax measures in Slovenia according to IOTA & OECD.

No.	Measures – groups by IOTA & OECD (2020)	Selected exemplary EU countries	Slovenia – authors' assessment of measures
1	Additional timing, extensions, deferrals, remitting penalties … & social support (e.g. waiving/delaying/budget paid social contributions, family support)	Austria, Belgium, Croatia, Czech Republic, Denmark, Germany, Greece, Italy, Ireland, the Netherlands, Spain, Sweden	Comparable normatively and in practice
2	Quicker refunds to taxpayers & social transfers	Belgium, France, Greece, Ireland, Latvia, Lithuania, Romania	Tackled, but not a priority, questionable beneficiaries
3	Temporary adjusted audit policy and quicker tax certainty	Austria, Belgium, Denmark, Finland, France, Hungary, Ireland, Italy, Latvia, Lithuania, Malta, Poland, Romania, Spain, Sweden	Immediately rather no and later low attention
4	Enhanced services & communication	Austria, Belgium, Croatia, Czech Republic, Denmark, Finland, France, Hungary, Ireland, Italy, Latvia, Lithuania, Malta, Poland, Romania, Spain, Sweden	Efficient regulation & practice (mostly from before COVID-19)

Source: IOTA (2020); OECD (2020).

- reduction of the base of personal income tax arising from cadastral income.

As regards the above measures, it can be concluded that, except for the exemptions, they do not imply a reduction of tax liabilities. The intervention measures did not interfere with systemic provisions and did not significantly change the tax legislation, as they temporarily determine only non-taxable income and exemptions from some liabilities for a certain period of time. However, some of the measures implied changes of procedural provisions, as they introduced simplified or automatic exercise of certain rights, which also required some modifications in the work of FARS that had to adjust the information system and the 'abbreviations' of the taxpayers.

In addition to the measures mentioned above, state aid in the form of subsidising short-time work and reimbursement of wage compensation to workers temporary waiting for work, which are not directly tax measures but indeed have budgetary implications, was also largely used in Slovenia. Other similar measures included the payment of basic income for self-employed persons who had no revenues during the epidemic, a tax-free crisis allowance for workers (under a certain amount of wage) who worked during the epidemic, and tax-free crisis allowances for pensioners and students. Such temporary allowances were exempt from the payment of personal income tax and can be regarded as a kind of indirect tax measure. Also important for the economy was the measure that provided for shorter deadlines for payments by the state for purchases and services, which was only seldom implemented in practice, as well as several measures related to loan guarantees.

It can be concluded that most of the measures relating to taxation followed those taken by other countries. The first OECD analysis (2020) showed that 70% of OECD countries introduced tax deferrals, 30% allowed the extension of deadlines for the payment of tax liabilities, flexibility in paying off tax debt and faster tax refunds, over 20% reduced liabilities arising from the payment of social security contributions, and less than 10% reduced other tax liabilities. Beneficiaries of the measures also varied from country to country. For the most part, specific sectors or businesses whose turnover decreased by a certain share were eligible for the measures. Only rarely were the measures intended for all businesses. Lowering tax rates, i.e. reducing tax liabilities, was a less common practice. In Europe, VAT was temporarily reduced only in Norway and Cyprus; otherwise, it was mainly reduced in some

Table 2. Comparison of tax measures among selected countries.

Type of measure	EU countries that introduced a (non) similar measure (examples)	
	Similar	Different
Extension of deadlines for filing tax returns	Austria, Belgium, Slovakia	Upon the request of the taxpayer: Finland, Luxemburg
Exemption from the payment of social security contributions for the self-employed or part of the contributions for workers	Greece, Sweden, Poland, Malta	Hungary, Slovakia: for specific sectors and businesses; Spain (differently for small and large businesses)
Deferral of payment of taxes (not just social security contributions)	Austria, Belgium, Czech Republic, Germany, Denmark, Spain, France, Greece, Italy, Lithuania, Latvia, Luxemburg, Poland, Portugal, Sweden, the Netherlands	
VAT exemption	Belgium, Poland (0%), Portugal	Greece: reduced rate for specific products
Tax reliefs on donations	Poland (higher %)	
Lower tax base in personal income tax	Sweden, Luxemburg, Germany, Greece, Belgium and other countries that paid basic income: for specific employment related allowances or for the crisis allowance	

Source: IOTA (2020); OECD (2020).

countries in Asia and Africa. Few countries reduced CIT and personal income tax rates. Table 2 provides a comparison of selected countries.

Most EU Member States used similar measures, which indirectly related to tax liabilities or improved the liquidity of the economy, but these are not the subject of this article and hence no comparisons thereof are made. The above comparison confirms the part of H2 that relates to the type of measures. In Slovenia, too, most of the measures related to the deferral of tax liabilities and extension of the deadlines for the payment of certain liabilities. These were followed by measures related to exemptions and reductions in tax liabilities.

Although studies by various organisations and individual countries show that the consequences for the economy will be significantly worse than those caused by the financial crisis about a decade ago, a quick comparison of tax measures shows that current measures are significantly different from the ones applied during the financial crisis. However, this certainly does not mean that such measures will not follow, as systemic measures will also need to be developed for the economy to recover once the consequences are clearer and quantified. During the financial crisis, tax reforms led mainly to an increase of the tax burden, as most countries increased VAT rates and the maximum marginal income tax rates. There were several changes in property taxation as well. In terms of corporate income taxation, the measures varied, as both an increase and a decrease in CIT rates were observed. Such measures in fact require major changes in the functioning of the system and the tax administration, and more detailed analyses of the effects thereof are needed.

The fact is that most intervention measures in Slovenia, as well as in other countries during the pandemic, were adopted very quickly, with a short response time to implementation. It thus makes sense, not only for the implementation of the laws but also for the control over such, to apply as few exceptions as possible to these measures and to identify the different positions of the taxpayers. In these cases, the stabilisation function prevails over the distributive one, although the latter is also partially favoured by determining the circle of beneficiaries. From the point of view of the functioning of the tax administration, such an approach is indeed the most desirable, as it requires less adjustments and IT changes. The system is also more manageable from the viewpoint of the beneficiaries addressed by the measures. Notwithstanding the above, the rapid adoption of legislation also has certain undesirable consequences, which are presented in more detail below.

2.4 Effects of tax intervention measures on the national budget

The initial analyses of various countries around the world show that the epidemic had three crucial effects on national budgets: a reduction in budgetary inflows by more than 20% or up to 5% of GDP on average and an increase in budgetary transfers to individuals and businesses in various forms, reaching on average 5%–30% of a country's GDP (OECD, 2020). According to the government's data on the measures taken, over EUR 3 billion were planned for direct payments or exemptions already in spring 2020, which accounts for more than 6% of Slovenia's GDP in 2019. Some experts even estimate that Slovenia will spend around 5% of GDP on the implementation of all the packages adopted. Businesses were expected to receive the largest share of aid, namely already by the first four ACPs (laws adopted from spring to summer 2020) EUR 2.4 billion, the self-employed EUR 210 million, farmers EUR 130 million, and other groups at risk (pensioners, students, socially disadvantaged persons) over EUR 145 million, while part of the funds is also intended for the public sector and others. Most of the aid was prolonged also in the last three ACPs. In the last three ACPs some of the subventions are higher for those who did not receive the limited amount of state aid, some subventions are new (i.e. coverage of fixed costs for businesses affected by measures). The actual direct effects will only be assessed after the measures have expired, when it will be clear how many beneficiaries have actually applied for direct payments. Initial data after the end of the first wave showed that more than 40% of beneficiaries applied for basic income, in a total value of over EUR 83 million. Payments to employers to compensate for the wages of workers waiting for work reached just under EUR 158 million by the end of June and covered more than 170,000 workers. According to data, by the end of November 2020 businesses received EUR 333.6 million from the first six ACPs only for subsidies connected to employees (waiting for work, quarantine, short-time work, financial support). As the measure has been extended with other ACPs, the total amount of the funds is still unknown. Payments to other groups (pensioners, students, recipients of social assistance) amounted to over EUR 80 million already in the first wave. Direct payments are therefore currently lower than expected, with just under EUR 350 million being paid by July 2020. Some measures have been completed, while some are still being implemented or renewed from spring to winter 2020 and on. The real growth of GDP for the third quarter of 2020 in comparison to the same period in 2019 shows −2.6%.

According to the estimation made by the Fiscal Council, till the end of June a total of EUR 1.1 billion have been spent from public sources. These direct payments do not include exemptions (social security contributions, VAT), which reflect in lower budget revenues. The report on collected taxes and other duties from June 2020 published by FARS in mid-July shows that 19.8% less duties were collected than in the same period last year, while the situation changed by the end of November 2020, since 7.5% less duties were collected by FARS than in the same period in 2019. In consolidated budget, the drop is around 5.9% of all tax revenues. The biggest drop was recorded in May, as the inflow was lower by almost 40% compared to May 2019. The heaviest fall was recorded in social security contributions, which was expected as intervention measures largely focused on exemptions from this type of duties. The decrease in payments was more than 40%. Such decline in budgetary inflows was followed by a drop in tax revenues from wages (by more than 25%), while the mildest fall was recorded in VAT inflows, i.e. by just under 11%, which even improved slightly in June and further months. A comparison of semi-annual inflows between 2019 and 2020 for the first six months shows a decline in tax revenues by 13.4% in 2020, and by the end of November 2020 by 7.5%. In the second half of the year 2020 (till the end of November), the largest drop is observed regarding corporate income tax (by 24.2%), followed by a drop in excise duties and VAT (by 9.8%). The above data suggest that the expected values of the measures are unlikely to be fully achieved. Although the redemption of 'tourist vouchers' is not a direct tax measure, it can be noted from the dynamics of their use that they will indeed bring indirect tax effects—the redemption of vouchers causes synergies in the consumption of other accompanying tourist products and their effect will only be seen next year. In any case, it can be concluded that the payments for the redemption of vouchers represent a minor net burden on the budget. According to the latest published data, over 833,000 vouchers out of roughly 2 million worth a total of almost EUR 114 million were used between June and early October 2020.

Relatively speaking, the measures are comparable to those adopted in other countries. Some data (e.g. Bruegel datasets, Mazars' COVID-19 global tax and law tracker, OECD, IOTA) show especially for the first COVID-19 wave an even higher share of aid relative to GDP as the estimates of some direct fiscal measures in selected countries range between 0.4% (Hungary) and 13.3% (Germany). Higher percentages are foreseen for deferral measures, while the highest shares are anticipated for other liquidity and guarantee schemes (Anderson et al., 2020; Mazars, 2020; OECD, 2020). Given the current dynamics in Slovenia, we can also confirm this part of H2, namely that the measures are comparable with other countries also in terms of value. These are, of course, current estimates, which we will not be able to evaluate until the next few years. Together with the comparisons of measures, we can confirm that types of the tax intervention measures in Slovenia are comparable to those in other countries. Slovenia actually mostly followed measures in other countries, especially those in EU and implemented the same as most of other EU Member States. In evaluating the scope of measures, measures directly connected to taxation reached the goal since liquidity of the businesses was addressed. The major influence of the most of financial measures connected to businesses will have influence on taxation, and can therefore be treated as indirect tax measures. Since the drop in tax revenues in the second half of 2020 is lower than in the first wave, influence is already detected. The scope of the measures is to prevent businesses from closing down and to prevent unemployment as well. According to the Slovenian Business Register, the highest number of companies was closed in April 2020 (more than 2000) and was far larger than the number of new established companies (around 600) in the same month. The situation in the second wave is better since the number of the new established companies was above the number of closed ones with the exception in November 2020, when 300 more companies were closed than established. Similar situation is with the number of self-employed entrepreneurs, where the number of closed was above the new registered in the period from March to May 2020, since the new registered is higher from closed ones from June 2020. Statistics show that the total number of the new established self-employers in year 2020 is higher than closed for approximately 1.4 thousand. In analysing unemployment data, we can observe the highest number in May 2020, which was decreasing till October 2020. In the last two months of the year 2020, the number increased again but did not reach the number from May 2020. Numbers are far below the numbers in financial crisis during the year 2014. The similar unemployment development can be seen in other EU Member states, while statistics on new businesses is not available yet for the whole EU. We can make the same conclusion also for that part of H2, in which both scope and influence of the measures are comparable according to some macroeconomic indicators.

3 Discussion on the measures and FARS' work during the corona crisis

3.1 Normative and implementation aspects of intervention measures in taxation

The coronavirus crisis called for an immediate response, i.e. fast adoption of laws intended to preserve jobs and liquidity, help the most affected industries, etc. In doing so, countries faced a lack of situation-specific comparative practices. The only reference was the global economic crisis or, for Eastern European countries, the change in the systems thirty years ago, which involved major market losses and tax consequences. Yet although radical, those changes were not as sudden as in the case of COVID-19. It is therefore not surprising that the aforementioned anti-corona approaches by the Slovenian government, with ad hoc regulations and an authoritarian stance, led to a relatively controversial legal and economic situation during the COVID-19 epidemic, when the government acted as a "sole initiator of acts falling with all powers" (Zagorc & Bardutzky, 2020).[23] At first glance, one can also conclude that the principles of the intervention measures, such as temporality and proportionality (according to Martinek, 2018; cf. Sigma, 2020; Nyamutata, 2020), were not fully respected, either in Slovenia or, comparatively, in the neighbouring countries.

Problems at the regulatory level, i.e. regulations-driven public policy making, always reflect in their implementation, for example in delayed action of executive administrative authorities, which is burdened with procedural requirements and therefore possibly arbitrary. For example, one of the first intervention laws suspending the deadlines in non-urgent matters, where urgency was *ex lege* defined by each individual body, came into effect already in late March 2020. FARS defined all regular tax assessments as urgent, posting a notice on its website on 20 March 2020[24] where it stated: "since the operation of state bodies or bodies of self-governing local communities depends on tax revenues, tax assessment is considered an urgent matter—-therefore, procedural deadlines and the deadlines for meeting the liabilities are not suspended". However, regardless of the disputability of individual cases,[25] the risk rate of the taxpayers or the value of tax, it did not define as urgent either ex-post tax control (inspection) or various tax refunds (VAT, excise duties, etc.), which could ensure the much needed liquidity for many businesses. At the same time, towards the end of the officially declared epidemic, measures were taken the effects of which were questionable in both economic and legal terms, but allegedly politically pleasing. Quite some controversies arose with regard to tourist vouchers—the citizens of Slovenia received tourist vouchers of EUR 200 per adult and EUR 50 per minor to be redeemed between June 2020 and December 2021. FARS plays a major role therein, as it manages the entire system of voucher redemption at tourist facilities and the payments made thereto, while at the same time solving legal dilemmas about beneficiaries of the vouchers, the transfer and the partial redemption thereof, etc.

In implementing the rapidly adopted and changing intervention laws that involve tax measures, FARS is indeed trying to act up-to-date and legitimately. For example, it closely pursues traceability and allows comparisons of the various versions of frequently asked questions and answers by date of release on its websites (FARS, 2020), which is certainly a welcome stance. On the contrary, the very need for such extensive and constantly changing explanations represents a gap that, despite the declared epidemic, is indeed a problem for a state governed by the rule of law, as the resolution of open issues is likely to last a long time and take place even in courts. In terms of content, most open issues involving CIT and personal income tax seem to be related to income from business activities and

[23] Among other things, there were political pressures on the upper chamber of parliament to give up its veto power, referendum initiatives to enforce laws immediately after adoption (instead of the usual minimum 15 days), as well as non-intervention provisions being included in intervention laws (e.g. provisions on restricting accessory participants in proceedings). Therefore, it is not surprising that over 50 regulations were submitted to the Constitutional Court of the Republic of Slovenia for the assessment of constitutionality or legality between March and June 2020 alone. A considerable share thereof was challenged also due to the allegedly excessive discretion of the Executive in relation to unclear laws, or because rights and obligations were determined in implementing regulations where taxation requires particularly important restrictions (cf. Pistone, 2020; Avbelj, 2019).

[24] With a notice on the website https://www.gov.si/novice/2020-03-20-ukrepi-na-davcnem-podrocju-za-blazitev-posledic-koronavirusa, although the law requires individual notifications in every act issued by FARS to the taxpayer. More on this and on the amendments to this Act in late April in Kovač & Kerševan, 2020.

[25] Usually, according to Compliance Risk Management (on CRM more in OECD, 2020), measures are differentiated by profile and status of the taxpayer, thus distinguishing between tax fraud, tax evasion, and tax avoidance.

social security contributions for the self-employed, farmers and similar taxpayers. This is understandable given the structure of taxpayers in Slovenia. As small taxpayers, they are subject to these charges in particular, while at the same time being aware that the burden of claiming aid exceeds the aid itself or that they do not have the necessary tax skills. The latter seems to be a problem as many dilemmas relate to the ordinary TPA rules (e.g. on non/possibility of tax write-off)[26] rather than intervention laws. In almost all types of dilemmas, there is usually an intertwining of substantive and procedural norms, as often for example deferral also involves other bases or the taxpayer's status, which is particularly risky for the equality before the law and legal certainty.

At the same time, this points to the importance of procedural law that actually enables the exercise of substantive legal rights (more on this in Nykiel & Sek, 2009; Pistone, 2020). In this context, proactive action by FARS is important, which is often somewhat slow and complicated, but nevertheless systematically directed and provided with information support. As regards procedures, the fact is that under the TPA and in terms of FARS work, they are neither friendly nor fast, as already the legislature provided for relatively demanding fact-finding procedure and taking of evidence, leading to possible tax avoidance. In times of crisis, this can be an additional problem, as those who need help the most do not know how to start the procedure or obtain the rights relatively late. From the point of view of legal certainty, criticism was expressed also in relation to the legally provided ex-post sanctioning of beneficiaries if they operate more successfully in the following months than anticipated in the critical epidemic months. However, the possibility of filing tax return based on voluntary disclosure under the TPA (Art. 55, 63, 140a) solves the possible problem, as the taxpayers are excluded from misdemeanour liability even if they opt for voluntary disclosure during the actual inspection.

The analysis of measures that already expired (e.g. waiting for work in the past months) shows—as of year 2020—that noticeably less funds were used than initially planned, in some cases only about a third (!). This is the result of several factors, from lack of a rapid response to the health and economic crisis to unclear norms, disregarded loss of income of the economic operators in some sectors, reluctance of banks, businesses, employers and employees to taking advantage of aid, unexpectedly high volume of remote working, a partly too bureaucratic system of access to aid compared to some other countries, avoidance of consequent control by taxpayers (more Damijan, 2020; cf. OECD, 2020). In such context, emphasis is to be placed on the importance of legal certainty in tax matters or (in)stability of tax regulations, which—in addition to the tax burden or formalisation of procedures—is generally the main factor of taxpayers' (dis)satisfaction with the system (Klun & Jovanović, 2016). Therefore, based on previous economic analyses, more attention should be paid in future regulation to normative predictability and clarity and equality between similar taxpayers,[27] even if this means that some measures will be taken a month or so later than usual. Moreover, as pointed out by international analyses and expert studies, the tax policy will need to include—generally and because of COVID-19—more cooperation with stakeholders, innovative and alternative approaches in tax procedures, and digitalisation (Kovač, 2018; Pistone, 2020; Steen & Brandsen, 2020; Sigma, 2020; OECD, 2020).

A positive lesson for the period during and after COVID-19—in Slovenia even more than in other countries—was the simplified e-communication between the tax administration and the users. Between March and June 2020, and further from late November 2020 to first months of 2021, requests were filed and service was effected in a simplified manner. As no misuses were recorded, such kind of solutions could well become more permanent (a similar assessment was given for the entire public administration by Sigma, 2020). Yet only good will and open proceedings by FARS do not suffice; instead, a combination of normative and operational activities is needed. A good example in this direction is the coming into force of the Act Determining Provisional Measures for Judicial, Administrative and Other Public Matters to Cope with the Spread of SARS-CoV-2 (COVID-19) at the end of March 2020, which suspended deadlines in non-urgent matters, simplified the filing of applications,

[26] It should be noted at this point that the Slovenian TPA with over 400 articles regulates a number of possible taxpayers' bonuses, as in writing this law the need for a balance between public revenues and taxpayers' rights was constantly kept in mind and care was taken that the costs of procedure do not exceed the gain (Jerovšek et al., 2008). In such regard, the TPA was significantly supplemented between its adoption in 2006 and the years of the global economic crisis, in order to provide taxpayers with a number of bonuses, e.g. filing tax return on the basis of voluntary disclosure, several forms of instalment and deferred payment of tax, or various insurance options.

[27] Nyamutata (2020) points out in such regard the 'rights-based approach', founded on human rights protected in international human rights treaties. However, in the haste to contain a rapidly spreading pandemic, human rights are potentially vulnerable to violations, and even states with deep-rooted democratic cultures resort to illiberal responses, which can lead to more permanent authoritarian regimes.

introduced videoconferences and e-service, thus further upgrading the already fairly functioning e-operations based on the TPA and the *eDavki* system (eTaxes). Nevertheless, the Act proved to be too demanding (more in Kovač & Kerševan, 2020) and at the end of April 2020, it was amended with further simplifications regarding the omission of qualified verification of the identity of clients and fictions of service. On the other hand, the new similar law adopted in November 2020 (ZIUOPDVE or the so called ACP6) offered a more continuous solution for any similar crisis with simplifications introduced by a governmental ordinance for three to six months. Intervention laws in general can be an opportunity for experimental and innovative solutions (Martinek, 2018), although in a constitutional democracy it is imperative to proceed from a uniform general regulation according to GAPA (deviations are only allowed if there is justified reason to differentiate considering equal constitutional protection of rights; cf. Avbelj, 2019, commentary to Article 22 of the Constitution) and to ensure ex ante and ex post parliamentary and especially judicial oversight over government acts or the discretion of the Executive. Contrary, a permanent arrangement of this kind could encourage taxpayers to various circumventions, which they failed to think of in a few months or which would not pay off at the time being. In any case, these two acts proved to be a well-functioning mechanism, as it regulated administrative and judicial procedures almost uniformly. Likewise, its implementation in practice did not cause major problems for FARS or taxpayers.

Below the line, one can see that the Slovenian list of laws mostly coincides with the categorisation of measures according to IOTA and OECD. However, given the diversity of interpretations, all groups of tax measures are obviously quickly written and therefore sometimes ill-considered, which might lead to insufficiently simple and time-consuming aid procedures when compared to the exemplary Anglo-Saxon and Scandinavian countries. Therefore, the initial H1 on the international comparability of Slovenian measures can be confirmed as predominantly verified since Slovenia has adopted very similar if not the same intervention laws as other countries in the EU, albeit in some elements in a less thoughtful and systemic way than for example Germany or Austria (Damijan, 2020).

3.2 Assessment of the Slovenian tax administration in terms of agility and coproduction

The assessment of the work of the (Slovenian) tax administration below is based on the selected theoretical models that emphasise responsiveness and sustainability, as the coronavirus crisis will cause at least uncertainty and the need for public law measures for some time to come. Due to the relatedness of the principles of good public governance (Sigma, 2020), as well as the specifics of tax matters (such as coercion and the provision of most public funds for public benefit), the most suitable concepts seem to be agility and co-production in the formulation and implementation of public (including tax) policies. These two concepts also emphasise the importance of participation or cooperation of various stakeholders, typical of tax procedures in the light of the objective of tax collection (Kovač, 2018; Pistone, 2020).

The concept of agility seems ideal for the analysis of crisis measures, especially if they are to have lasting effects or establish themselves as a 'new normality'. Agility in fact means "responding to changing public needs in an efficient way" (Mergel et al., 2020), whether it involves a radical redesign or for example (only) digitisation of public services. It needs to be underlined that agility is not only a property of private organisations, but also a litmus test for the public sphere to reflect on its importance and accountability in relation to the public and specific users (e.g. taxpayers). Namely it is not in conflict with democratic or classical administrative values (Greve et al., 2019), although it is antithetical to typical bureaucratic line organizations and requires a new form of leadership (Mergel et al., 2020). Looking at the 12 basic principles of agility (according to Beck et al., 2001) as the basis for assessing the work of Slovenian regulatory authorities and FARS during the coronavirus crisis, one can find—in accordance with the above observations—that the match is only partial,[28] with a bigger gap at the regulator than at FARS (see Table 3).

One can see that the elements of participation as a basis for co-production are only partially fulfilled—relatively poorly and narrowly especially at the normative level, and a little more in the implementation of tax procedures. This is contrary to the finding that in terms of health measures the COVID-19 era marked a kind of golden age of co-

[28] This is a subjective author's assessment, but it is based on the above mentioned measures, assessments and data, where in particular two levels of the scale were used: (a) 'mostly' for the predominant observance of an individual principle and (b) 'partially' for only partial observance of agility guidelines. The ratings are separate for the level of regulation and level of implementation. In implementation, the regulatory level can be either loosened in terms of formal requirements or even tightened.

Table 3. Anti-coronavirus tax measures in Slovenia by the principles of agility.

No.	Principles of agility (Beck et al., 2001; Mergel et al., 2020)	Parliament/Government - regulator	Tax administration - implementer
1	Fulfil the customers' needs (early, by IT)	Partially	Mostly
2	Respond to the demand for changes	Mostly	Mostly
3	Shorten the timescale for delivery	Mostly	Mostly
4	Work hand in hand with users	Partially	Mostly
5	Centre fabrication around motivated individuals	No evidence	Partially
6	Emphasise face-to-face team conversation	Partially	Partially
7	Benchmark through working solutions	Partially	Partially
8	Aim for sustainable development	Partially	Partially
9	Focus on technical quality & good design	Partially	Partially
10	Emphasise simplicity	Mostly	Mostly
11	Self-organisation in teams	No evidence	Partially
12	Regularly reflect on improvements	Partially	Partially

production, as citizens massively and voluntarily chose to cooperate (Steen & Brandsen, 2020). This was pointed out also by the Slovenian Prime Minister in mid-May 2020, saying that otherwise Slovenia could not be the first country to declare the epidemic over. However, the situation is rather opposite when assessing the second wave and the measures in autumn and winter of 2021 since the continued governmental redefinitions of measures together with almost no decreasing figures of affected people cannot be attributed to the COVID-19 related uncertainty, as justifiable in the first wave. Nevertheless, despite the general yearning for strong leadership, the more decentralised systems of public services delivered more effectively (Steen & Brandsen, 2020). This statement matches the effects identified above, which had already been an established practice in Slovenia before COVID-19, such as the *eDavki* system (eTaxes), which at the same time ensures sustainability beyond the immediate crisis. The same is confirmed through IOTA activities, such as the Forum on Communication that was held in November 2020 with participants from 32 countries who focused on the development and exchange of innovative initiatives and responses of tax administrations' communication strategies that were implemented during the COVID-19 crisis, as well as the changes and future implications of these (IOTA, 2020).

Therefore, the regulatory measures of Slovenia are comparable by their content to the majority of other countries while there was—and further exists—a major gap in quickness of the response. Yet, the latter can hardly be attributed to the Slovenian tax administration provided its systemic agility, especially through the comprehensive explanatory notes and highly developed digitalised operations. Hence, the accountability regarding the lack of appropriately swift coverage of the crisis circumstances in Slovenia as opposed to other countries lies with the regulator and the overall administrative system not adjusted to the resilient response to a major crisis. Our hypothesis (H1) on the normative similarity of intervention measures in Slovenia in relation to the ones adopted in other EU member states is under the line confirmed as regards the types of measures set by the anti-corona packages (e.g. tax deferrals and exemptions with social assistance). Nevertheless, this is not the case as regards taking care of timely effects thereof to support taxpayers in due time. In the future, Slovenia will have to understand primarily at the regulatory level, which can be done through co-governance, that not only the content but also the timing of measures matters when intervening to limit the crisis.

According to theory (see Ostrom, 1996), however, there are certain conditions to be met for co-production of public services, and all the more so in tax relations. The first one is an appropriate legislative framework to support co-production, the existence of which can partially be established in Slovenia, considering the provisions of the TPA, the possibilities given to the taxpayers with intervention laws, and the cooperation of experts and professional associations with the government. Secondly, it is necessary to provide a complementary and not merely substitutive contribution of professionals and citizen co-producers, yet in Slovenia these characteristics are poorly traced in tax matters (cf. Kovač, 2018). Thirdly, mutual commitment and incentives directed towards encouraging co-production are important, together with appropriate relationships between roles, rights and responsibilities of the relevant actors (Steen & Brandsen, 2020). Slovenia is quite reserved in such regard with its understanding of the *Rechtsstaat* legacy, and especially in a crisis insists on classical authoritarian relations (more Kovač & Kerševan, 2020). In summary, history teaches us that it is easy to do 'business as usual' when the crisis is over, although it is not ideal and the crisis experience could be used as an added value for the usual business. This requires the establishment of systemic conditions for all social stakeholders, with the government at the forefront, based on the constitutional principles of democratic governance (Sigma, 2020; Zagorc & Bardutzky, 2020).

4 Conclusions

The role of the tax administration in providing public funds is crucial in every country. This is and will be all the truer in times of crisis, such as the COVID-19 pandemic, and even more so in the subsequent reboot and bridging of the economic downturn resulting therefrom. Despite the symmetrical shock, at least in the EU, individual countries responded and continue to respond differently to the pandemic, whether at the normative or implementation level. In any case, the legal-systemic and macroeconomic aspects must be taken into account when designing and implementing intervention measures in the field of taxation, as taxes certainly represent a multidisciplinary issue. This means that tax policy and the work of the tax administration must be addressed with a broader approach, as required by complex 'wicked' social problems, which is also shown by this analysis.

Considering the hypotheses set out in the introduction, it can be concluded that in connection with the work of FARS, Slovenia adopted measures that are in principle comparable to those in other countries. In their implementation, FARS cannot be blamed for the systemic lack of agility and co-productive orientation when these phenomena are found. However, there is at least a partially questionable sequence and definition of measures at the level of the government and parliament, causing difficulties in the implementation for the tax administration and a reserved stance by other stakeholders and beneficiaries. The comparative analysis of the measures taken in the field of taxation is therefore comparable not only in terms of the group of measures, but also in terms of the type of measure and its weight in financial terms. It is worth emphasising in such regard that in terms of implementation, Slovenia was technically even more efficient than most countries in the first wave thanks to the rapid adjustment of the existing information support, which is true for most procedures related to anti-coronavirus measures and not only for procedures conducted by FARS. However, FARS had to adopt most of the changes and adjustments practically overnight, so its role in the implementation thereof was and still is crucial. In particular, in parallel with the establishment of support, FARS prepared simple explanations for beneficiaries and even categorised instructions according to life events in order to increase transparency.

In the future, more attention should be paid to ex-ante legal and economic reflection and definition of approaches based on past experience, comparative examples and information on what measures are being taken and to what extent. Namely, the common goal is undoubtedly to achieve that the activities of the tax administration have an optimal effect both on the provision of public funds for the operation of the state and society and on ensuring the protection of the rights of individual (groups) of taxpayers. Such a balanced approach is not only an ideal of good (tax) administration in times of crisis, but a necessity. Therefore, the experience obtained during the COVID-19 period should be used as lesson learned for future better responses to tax emergencies and the usual business alike. The implementation of the measures revealed yet another shortcoming of the society. Namely, although mostly clear and transparent, the search for information by the majority of the interested public, especially citizens, remains a weakness. They are unfamiliar with the FARS' and other government web portals, which leads to a greater workload of the call centres and other direct points of contact with the authorities.

Acknowledgement

We acknowledge the financial support from the Slovenian Research Agency (research core funding no. P5-0093 and project no. BI-SI-HR/20-21-010).

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