

For VAT deduction in bankruptcy, it is not required that a claim has been filed in bankruptcy proceedings

June 11, 2020

The EU Court of Justice has ruled that Slovenia is in breach of EU law by refusing to deduct VAT for a bad debt just because a taxable person has failed to file it in bankruptcy proceedings.

SCT dd deducts the VAT in connection with the bankruptcy of two of its clients. These clients had not paid their debts. The Slovenian tax authorities find that SCT had not filed these claims in the bankruptcy proceedings in question and that these claims had therefore been extinguished. SCT will then no longer be entitled to deduct VAT. SCT disagrees. The Slovenian court has referred questions for a preliminary ruling in this case.

The EU Court of Justice has ruled that Slovenia is in breach of EU law by refusing to deduct VAT for a bad debt just because a taxable person has failed to file it in bankruptcy proceedings. It should also be noted that Slovenia refuses the deduction even if the taxpayer demonstrates that the claim would not have been collected had he filed it. In such a case, the national court should interpret national law in accordance with EU law or, if that is not possible, exclude the national rule.

[\[News source\]](#)

Column: Sales tax, European tax law

Edition: 12 June

Information type: UN Today

OVER DIT ARTIKEL

Uitgavenummer: V-N Vandaag 2020/1534

Zaaknummer: C-146/19