Local Taxes and Fees in the Slovak Republic in the Context of the European Charter of Local Self-Government

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Abstract— **The European Charter for Local Self-Government is one of the most important international documents concerning the status and functioning of local self-government. This document was opened for signature as a convention by the member states of the Council of Europe on the 15th of October 1985. The Charter allows some freedom to the member states of the Council of Europe in the extent to which they commit themselves to fulfill their obligations. The Slovak Republic is bound by all provisions of the Charter. The aim of the paper is to highlight the commitment, application and compliance with the European Charter of Local Self-Government by the Slovak Republic, in comparison to other selected member states, in terms of charging and administration of the local taxes and local fees.**

Index Terms— **the European Charter for Local-Self Government, local taxes, local fees.**

I. INTRODUCTION

The European Charter of Local Self-Government (hereinafter referred to as "the Charter“) is one of the most important international documents concerning the status and functioning of local self-government. The Charter contains basic principles and rules which guarantee the political, administrative and financial independence of local authorities. It is clear from the Preamble of the Charter that local authorities are considered to be one of the cornerstones of any democratic system, since the existence of local authorities with real powers can ensure the performance of a government that is both efficient and close to the citizen. Such administration is supposed to involve local authorities, is equipped with democratically constituted decision-making powers, with a high level of autonomy in terms of their competencies, ways and means of applying these competences and the resources needed to fulfill them.

II. EUROPEAN CHARTER OF LOCAL SELF-GOVERNMENT AND ITS ADOPTION BY THE SLOVAK REPUBLIC

The European Charter of Local Self-Government was drawn up within the Council of Europe by a committee of governmental experts under the authority of the Steering Committee for Regional and Municipal Matters on the basis of a draft proposed by the Standing Conference of Local and Regional Authorities of Europe (Rm.coe.int, 2017). This international document was opened for signature as a convention by the Council of Europe member states on the 15th October 1985. For the member states of the Council of Europe, the Charter has allowed some freedom in the extent to which it commits itself to fulfilling its obligations. The Charter of the Council of Europe could have been signed by the Council of Europe member states with or without reservations, and the rules for its ratification, acceptance or approval and subsequent binding are contained directly in the Charter. In the literature one can find opinions that states were given a certain latitude in the range to which they signed up to the Charter’s obligations and also because of the fact that many of the terms of the Charter were deliberately cast in a language which was both general and rather vague. The Charter cannot be considered a mere declaration of intent, respectively no mere symbol of the ratifying states’ democratic aspirations but the Charter was intended to be a serious guarantee of the autonomy rights which it proclaimed for local authorities (Himsworth, 2011, p.5). I can only agree with the aforementioned opinion. The obligations contained in the Charter should be considered binding for the ratifying states, but their enforceability is questionable (Himsworth, 2011, pp. 5-8).

At present, the Charter has been ratified, respectively by all 47 member states of the Council of Europe (Treaty Office,

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2017). Some member states are bound by the Charter in its entirety and some are bound by its parts (Treaty Office, 2017). The Slovak Republic has acceded to the Charter gradually (republiky, 2017).

The Slovak Republic adopted the Charter with reservations in 1999. In 2002 it agreed with the ratification of a further commitment, and in 2007 the remaining commitments of the Charter‘s provisions were made. By signing the Charter, the highest state institutions in the Slovak Republic demonstrated their political will to regulate their relations to territorial self-government by the principles contained in the Charter. The Slovak Republic declared at international level its attitude to territorial self-government, its importance and its place in society.The gradual accession to the Charter was also due to the fact that in order to adopt all the articles and obligations of the Charter it was necessary to take actions concerning the decentralization of some competencies from the state administration to territorial self-government.

In the Slovak Republic, which was established on the 1st of January 1993, the reform of local self-government started, in principle, in 2000. Constitutional changes were the basis for the decentralization of public administration in 2001. As of 2007 the Slovak Republic is bound by all the provisions of the Charter.

In terms of local taxes and fees especially important is Article 9 of the Charter “Financial resources of local authorities“ which stipulates that:

- Local authorities shall be entitled, within national economic policy, to adequate financial resources of their own, of which they may dispose freely within the framework of their powers.
- Local authorities financial resources shall be commensurate with the responsibilities provided for by the constitution and the law.
- Part at least of the financial resources of local authorities shall derive from local taxes and charges of which, within the limits of statute, they have the power to determine the rate.
- The financial systems on which resources available to local authorities are based shall be of a sufficiently diversified and buoyant nature to enable them to keep pace as far as practically possible with the real evolution of the cost of carrying out their tasks.
- The protection of financially weaker local authorities calls for the institution of financial equalisation procedures or equivalent measures which are designed to correct the effects of the unequal distribution of potential sources of finance and of the financial burden they must support. Such procedures or measures shall not diminish the discretion local authorities may exercise within their own sphere of responsibility.
- Local authorities shall be consulted, in an appropriate manner, on the way in which distributed resources are to be allocated to them.
- As far as possible, grants to local authorities shall not be earmarked for the financing of specifics projects. The provision of grants shall not remove the basic freedom of local authorities exercise policy discretion within their own jurisdiction.
- For the purpose of borrowing for capital investment, local authorities shall have access to the national capital market within the limits of the law.

At first glance it is obvious that in terms of local taxes and fees, the most important paragraph of the cited fragments is the third one which expressly provides for the possibility for local authorities to impose local taxes and fees.

III. THE THEORETICAL BASIS OF LOCAL TAXES AND LOCAL FEES LEGISLATION IN THE SLOVAK REPUBLIC

The Slovak Republic has been bound by the third paragraph since 2000. However, the establishment of local taxes and fees has a long history in the country. The classification of taxes and fees to the state and local was established by Constitutional Act no. 460/1992 Coll. The Constitution of the Slovak Republic (hereinafter referred to as "the Constitution of the Slovak Republic"). Previous Constitutional Act no. 100/1960 Coll. The Constitution of the Czechoslovak Socialist Republic did not divide taxes on local and state taxes, but it stated that the statute would establish which taxes and fees are the income of the municipality. The Constitution of the Slovak Republic, apart from tax classification at local and state level, also declares that taxes can be imposed by the statute or on the basis of the statute. According to theoreticians of financial and constitutional law, and also in the opinion of the Constitutional Court of the Slovak Republic (Finding of the Constitutional Court no. Pl. ÚS 5!2012-87), the word connection "on the basis of the statute" should be interpreted by the fact that the Constitution of the Slovak Republic gives the chance to the territorial self-government to impose local taxes on its territory by other normative acts - in particular a generally binding legal regulations. The Constitution of the Slovak Republic has created a space for the imposition of a certain legal obligation and thus also a tax or fee obligation, not only "by the statute", thus a normative legal act that can only be approved by the National Council of the Slovak Republic as the only legislative body, but also by the normative legislation of the bodies of executive power, as well as municipal authorities, respectively the higher territorial units, which dispose of the normative power on the basis of Article 68 and Article 71, paragraph 2 of the Constitution of the Slovak Republic.

Local taxes during the first ten years of the existence of the Slovak Republic, had not been regulated by substantive law and the local self-government did not even impose them. Therefore, one could talk about local taxes only on the theoretical, formal-legal level. Taxes imposed directly by local self-government (municipalities and higher territorial units) were introduced into the legal order of the Slovak Republic firstly by Act No. 582/2004 Coll. on Local Taxes and Local Fee for Municipal Waste and Minor Construction Waste ('the Local Tax Act'). The municipality and higher territorial unit could introduce local tax according to this Act for the first time with effect from the 1st of January 2005 (§103 paragraph 1 Act No. 582/2004 Coll. on Local Taxes and Local Fee for Municipal Waste and Minor

Construction Waste, 'the Local Tax Act').

Until 2005 there had only been local fees in the Slovak Republic. Local fees were levied in accordance with the Act no. 544/1990 Coll. on local fees, as amended (hereinafter referred to as the "Local Fee Act"). These fees were largely replaced by local taxes with effect as of 2005. Under the Local Fee Act (§1 paragraph 1 Act no. 544/1990 Coll. on local fees), the municipality could levy the following local fees:

- a fee on the use of public areas,
- a fee on the use of a flat or a part of the apartment for purposes other than housing,
- an accommodation capacity fee,
- a residence fee,
- a dog fee,
- a fee on the entry and staying of motor vehicles in historical parts of towns,
- a fee on fun gaming machines,
- a fee on vending machines,
- a nuclear facility fee.

The Local Tax Act introduced the following taxes which can be levied by a municipality:

- a real estate tax (Former state property tax imposed by the Act on Property Tax: Act no. 317/1992 Coll. as amended - this Act was repealed by the Local Tax Act - was replaced by local real estate tax),
- a dog tax,
- a tax on the use of public areas,
- an accommodation tax,
- a tax on vending machines,
- a tax on non-winning gaming machines,
- a tax on the entry and staying of motor vehicles in historical parts of towns,
- a nuclear facility tax and the motor vehicle tax (The motor vehicles tax replaced the former state road tax imposed by Act no. 87/1994 Coll. on the road tax as amended - this law was repealed by the Local Tax Act), which can be levied by a higher territorial unit (§2 paragraph 1 and 3 Act No. 582/2004 Coll. on Local Taxes and Local Fee for Municipal Waste and Minor Construction Waste).

It implies that a fee on the use of a flat or a part of an apartment for purposes other than housing, an accommodation capacity fee, a residence fee, a fee on fun gaming machines have not been replaced by taxes, however, it can be stated that a residence fee was in principle replaced by an accommodation tax and that a fee on fun gaming machines was, in principle, replaced by a tax on non-winning machines. Fees on the use of an apartment or a part of an apartment for purposes other than housing and the accommodation capacity fee were not transformed to taxes.

The substitution of local fees by local taxes was significant in terms of theoretical definition of fees and taxes. The fee in the Slovak financial law is considered to be a monetary payment (monetary fulfillment) imposed by the statute or on the basis of the statute, the fee is being charged for a certain activity of state and other public bodies, executed in the interest of the taxpayer, at predetermined terms and amounts (Babčák, 2015, p. 24). The fee has, in principle, a remunerated character, because after the payment of the fee, public administration will usually perform the requested action, grant a certain entitlement and allow the taxpayer to perform a certain activity.

In the theory of the Slovak financial law tax is a monetary payment (non-repayable) which is imposed by statute or on the basis of the statute in order to finance state or other public needs, usually at a predetermined amount and on the due date (Babčák, 2015). In case of local fees which have been replaced by local taxes, the municipality had not acted for the taxpayer, and therefore the replacement of the above mentioned local fees by local taxes can only be considered as a logical decision, especially in terms of theory of financial law. This theoretical definition of the mandatory payments was also confirmed by the Constitutional Court of the Slovak Republic, which states that ‘taxes and fees having the character of a public duty being paid to the state (tax and fee duty) are a constitutionally authorized restriction of the right to own property’.

The differentiation of taxes and fees has a long-standing tradition in the Slovak law and it is based on currently valid Article 59 of the Constitution. In both cases, the revenue of the state budget is provided through these obligations, which are a prerequisite for the state to be able to perform its tasks in an efficient way. The fundamental conceptual difference between them lies in the fact that while the tax is defined as the collection of funds to secure various types of public goods without equivalent compensation, fees are understood as monetary payments which constitute a certain equivalent of the activity of the state body or other public body. However, this distinction does not change the fact that, in principle, the same constitutional requirements apply in relation to the provision of taxes, fees, levies or other similar obligations (PL ÚS 109/2011, paragraph 38).

The above mentioned changes in local taxes and fees were implemented in the Slovak Republic as a part of the public administration reform that took place in Slovakia in the years 2001-2005 (*Some theoreticians say that public administration reform is not over and is still running). The changes in the local taxes and fees legislation also occurred due to the so-called "reforms" (I think it was not a tax reform in the true sense of the word, as there were no changes in the political and economic orientation of the Slovak Republic, but only partial changes in the tax acts, respectively in the tax system; (Kubincová, 2009, p.52). However, some theoreticians of financial law consider these changes as a tax reform. (Bujňáková, 2007, p. 252))* of the tax system, which took place between the years 2002 and 2005. According to the program statement of the Government of the Slovak Republic from the 4th of November 2002, the Economic Policy section did set targets for the area of taxation, such as strengthening tax revenues of municipalities and own tax receipts of the higher territorial units and assessment of the system of incentive tax instruments for housing construction. At the same time, the principles of taxation were set, namely: equity, proportionality, neutrality, exclusion of tax duplication, simplicity and unambiguity and effectiveness. The very principle of avoiding duplication of taxation was expressed by the fact that no tax was levied on the use of a flat or a part of the apartment for purposes

other than housing nor on an accommodation capacity, since in both cases the taxpayer is required to pay the immovable property tax.

For the completeness of the changes in the Slovak local tax regime, it should be noted that at present there is no local tax in Slovakia that would be imposed by the higher territorial unit, in regard of the Act. No. 361/2014 Coll. on motor vehicle tax, with effect from the 1st of January 2015, the motor vehicle tax became (again) a state tax.

IV. THE COMPETENCE TO IMPOSE LOCAL TAXES AND LOCAL FEES IN THE SLOVAK REPUBLIC IN THE CONTEXT OF THE EUROPEAN CHARTER OF LOCAL SELF-GOVERNMENT

Article 9, paragraph 3 of the Charter states that local authorities should have the right to charge the local taxes and fees and, at the same time, within the limits of statute, they should have the power to determine their rate.

On the basis of the above mentioned, it is clear that in the Slovak Republic, local authorities (currently only municipalities) have the right (In case of a local fee for municipal waste there is the municipal duty to impose it, since this fee is obligatory) to impose local taxes and fees. In terms of determination of taxes and fees rates, according to the Local Tax Act and Local Fee on Development Act, the rate is in principle constituted by the municipality, in a generally binding regulation. In case of the fees and some taxes (e.g. an apartment tax), the determination of the rate is within the limits of the statute. For other taxes (such as the tax on a dog, the tax on the entry and stay of a vehicle in the historic part of the city, the tax on non-winning gaming machines) the tax rate is determined by municipality without limitation. However, the "freedom" of the municipality to determine the tax rate is not absolute even in these cases. The Constitutional Court of the Slovak Republic concerning determination of the tax rate when depositing the local taxes stated that in the context of the constitutional assessment of the taxes (and the fees and other similar public dues), first of all, the Constitutional Court accepts that the sphere of taxes (or fees) belongs into the sphere of "political issues", therefore, a higher degree of autonomy of the legislator or another public authority, which is empowered by law to impose taxes or fees, must be respected. This fact must be objectively reflected in the intensity (scope), subject matter and methodology of the constitutional assesment, which should include a review of (a) respect for the principle of legality, whether the examined tax was imposed by the statute (Art. 59 of the Constitution), or (b) whether the taxation pursues a legitimate aim and has a rational basis; (c) whether the tax does not mean an apparently excessive burden for taxpayers (Article 59 of the Constitution), whether it is not extremely disproportionate in terms of the relationship between the public interest and the legitimate individual interests of taxpayers (groups of taxpayers); (d) whether the imposition of the tax (including its essential parts) is not a manifestation of the violation of the constitutional principle of equality in the distinction between individual groups of taxpayers (non-accessory equality), respectively an infringement in terms of an inappropriate interference to the fundamental right or freedom, with particular regard to the protection of property (Accessory Equality).

The municipality's entitlement to determine the tax rate, and hence its amount, does not apply to all local taxes in the Slovak Republic. In Slovak local tax legislation, there is one exception to the possibility of determining the amount of tax through the determination of the tax rate, in the case of the nuclear facility tax. The tax rate in this case is determined directly by the Local Tax Act. In terms of the above mentioned, it is questionable whether the local tax legislation on the nuclear facility from the point of view of the possibility and the impossibility of the municipality to determine this tax rate is in accord with paragraphs 3 Art. 9 of the Charter. However, the nuclear facility tax is imposed only in a very small number of municipalities (considering the number of nuclear power plants in the territory of the Slovak Republic), and I therefore believe that this "inconsistency" of the Slovak legislation on local taxes with paragraph 3 Art. 9 of the Charter is negligible.

V. PROBLEMATIC AREAS WHEN APPLYING THE PROVISIONS OF THE EUROPEAN CHARTER OF LOCAL SELF-GOVERNMENT CONCERNING THE IMPOSITION OF LOCAL TAXES AND FEES

When it comes to the application of the Slovak local tax legislation, I consider it problematic to comply with Article 9, paragraph 2 of the Charter. According to this paragraph: Local authorities financial resources shall be commensurate with the responsibilities provided for by the constitution and the law. In accordance to the Act of the Slovak National Council No. 369/1990 Coll. on Municipal Administration, as amended, the municipality within the administration of self-government determines the local taxes and local fees and administrates them (§4 paragraph 3 písm. c) the Act of the Slovak National Council No. 369/1990 Coll. on Municipal Administration). The fact that the municipality is the administrator of local taxes and fees also derives from the Local Taxes Act, as well as from Act no. 563/2009 Coll. on Tax Administration (Tax Procedure Code) (§4 paragraph 1 Tax Procedure Code) and on amendments and supplements to certain laws. A tax accoring to the Tax Procedure Code means also a local fee for municipal waste and small construction waste and a local development fee (Kubincová, 2015, p. 21). I consider the administration of local taxes and fees as a professional and specialized activity. Especially because of the wide scale of the substantive and procedural law regulation of this area, which has been a subject of frequent changes. To ensure that local tax and fee management is effective and practiced in accordance with generally binding legislation, it should be provided by people who have sufficient knowledge and education in this area. In the Slovak Republic, however, local tax administrators are all municipalities, regardless of their size, for example, small municipalities generally do not have sufficient funds to employ qualified people or to educate them. For this reason, a lot of mistakes often occur in the decision-making process as well as in other municipal activities with respect to local taxes and fees. In my opinion especially in small municipalities the lack of

funds for employment of professionals and their further education, contradicts other provisions of the Charter. Based on Article 9, paragraph 5 of the Charter the protection of financially weaker local authorities calls for the institution of financial equalisation procedures or equivalent measures which are designed to correct the effects of the unequal distribution of potential sources of finance and of the financial burden they must support. Such procedures or measures shall not diminish the discretion local authorities may exercise within their own sphere of responsibility. Another provision of the Charter the application of which may be disturbed due to the lack of municipal funds is Article 6, paragraph 2 of the Charter, according to which the conditions of service of local governement employees shall be such as to permit recruitment of high-quality staff on the basis of merit and competence; to this end adequate training opportunities, remuneration and career prospects shall be provided.

VI. Adoption of the European Charter of Local Self-Government in comparison with selected countries

In this context, it is also possible to point out other member states of the Council of Europe that adopted the Charter (usually before the Slovak Republic) but with certain reservations. For example, the Kingdom of the Netherlands that in the Declaration contained the instrument of acceptance deposited on 20 March 1991, declares, in accordance with Article 12, paragraph 2, of the Charter, that it shall not consider itself bound by the provisions of Article 7, paragraph 2, Article 8, paragraph 2, Article 9, paragraph 5, and Article 11 of the Charter. Moreover, in the Declaration contained in a letter from the Permanent Representative, dated 20 March 1991, handed over to the Secretary General at the time of deposit of the instrument of acceptance on the same day, one may read that with regard to Article 6, paragraph 2, of the Charter, the Government of the Kingdom of the Netherlands takes the view that, in the framework of the Charter, only Article 9 of the Charter has any bearing on the financial resources of local authorities. This means that local authorities may not take any financial claims on central government based on the provisions of Article 6, paragraph 2, of the Charter. In the opinion of the Government of the Kingdom of the Netherlands, Dutch legislation is in accord with both the wording and the purport of Article 6, paragraph 2 of the Charter (Treaty Office, 2017).

It is also worth mentioning the application, commitment and compliance of the Charter by the Czech Republic, which had had a common development with the Slovak Republic until 1993. In the Czech Republic, the Ministry of Foreign Affairs announced that the Charter was approved by the Parliament of the Czech Republic and it was published in the Collection of Laws under number 181/1999. The President ratified it. The Ratification Sheet of the Czech Republic was deposited with the Secretary General of the Council of Europe on the 7th of May 1999. When the Charter was ratified, a notice was given that the Czech Republic in the meaning of Article 12, paragraph 1, of the Charter considers itself bound by twenty-four paragraphs of Part I of the Charter, of which thirteen paragraphs are named in Article 12, paragraph 1. The Czech Republic does not consider itself bound by the provisions: Article 4, paragraph 5; Article 6, paragraph 2; Article 7, paragraph 2; Article 9, paragraphs 3, 5 and 6. For the Czech Republic, the Charter came into force in accordance with par. 3 Art. 15 on the 1st of September 1999.

In terms of the entry into force of the Charter in the Slovak Republic and the Czech Republic, it can be stated that in the Czech Republic the Charter came into force sooner, but the Czech Republic is not bound to this day by Article 9 paragraph 3 of the Charter, which is, regarding the local taxes, fees and so-called the economic autonomy of local authorities, considered to be one of the most important articles. In 1999, in terms of the Czech Republic being “non-bound“ by Article 9 paragraph 3 of the Charter – it was stated that this article could not be fully implemented because the Local Tax Act has not been submitted to the Parliament for approval yet (Widemannová, 2018). The article from 2016 pointed out that the government's bill of the "Local Tax Act", based on the fact that the role of local taxes should not be negligible, but local taxes should create sufficient potential of local taxes for public services and expand the capabilities of unified services to effective regulating local development, were returned, respectively rejected by the Chamber of Deputies.The author of the article stated that an example of further development in this area could be Slovakia (Radvan, 2016).

Like the Czech Republic also the Republic of San Marino has not acceded to the Article 9, paragraph 3 of the Charter. A declaration contained in a Note Verbale from the Ministry of Foreign Affairs of the Republic of San Marino deposited with the instrument of ratification on 29 October 2013 states that the Republic of San Marino declares itself bound by the following Articles: Article 2; Article 3: paragraphs 1 and 2; Article 4: paragraphs 1, 2, 3, 4, 5 and 6; Article 5; Article 6: paragraphs 1 and 2; Article 7:paragraphs 1, 2 and 3; Article 8: paragraphs 1, 2 and 3; Article 9: paragraphs 1, 2, 4, 5, 6 and 7; Article 10: paragraphs 1, 2 and 3;and Article 11. An interpretative declaration contained in a Note Verbale from the Ministry of Foreign Affairs of the Republic of San Marino states that The Republic of San Marino maintains that Article 9 of the Charter must be interpreted as an article establishing a general principle of financial autonomy, according to which local authorities are entitled to freely dispose, in the framework of the national economic policy, of the resources allocated to them for the execution of their powers (Treaty Office, 2017).

VII. Conclusion

In comparison with the above mentioned countries, the Slovak Republic acceded to the Charter without reservations. My opinion is that Article 9, paragraph 3 of the Charter, that is most important in terms of local taxes and fees, has been in principle, regarding municipalities (In terms of higher territorial units, self-governing regions, which are also self-governing units - the implementation of Article 9 paragraph 3 of the Charters does not currently exist, since the only local tax which was their income (motor vehicle tax) is currently a state tax),

fulfilling (Except for the small exception mentioned above (the nuclear facility tax), which, however, can be considered negligible.) by the Slovak Republic. Existence and method of imposing local taxes and fees in the Slovak Republic results not only from statutes and subordinate legal norms, but the imposition of local taxes is also declared by the Constitution of the Slovak Republic. I believe that the legal regulation of local taxes and fees in the Slovak Republic can be described as fairly good and progressive. The application may be more problematic because the financial capacity of some municipalities does not allow the employment of qualified persons to administer local taxes and fees.

The efforts to improve the financial possibilities of municipalities in the Slovak Republic are still ongoing. However, these efforts are usually projected to the increase of public payments, such as taxes and fees, or to the creation of the new cash payments (for example, the introduction of the above-mentioned local development fee). I think that these solutions of the financial situation of the municipalities are not the best. The burden of population with taxes and fees is already significant in the Slovak Republic. In addition, these solutions help to improve mainly the financial situation of the larger municipalities, and the situation of the small municipalities in less-developed regions in not really improving. On the other hand, the scope of tax administration in small municipalities is considerably smaller. I think that trying to solve the bad situation in the matter of administration of the local taxes and fees, within small municipalities, thorough increasing of the taxes and fees and thereby increasing of the budget of the municipality will be inefficient. This budget will not be sufficient for the employment of qualified persons to carry out tax administration and provide for their education. I believe that effective administration of local taxes and fees can also be done in a more appropriate way, for example by combining the administration of local taxes and fees within the smallest municipalities or by providing some of the tax administration activities by state authorities (although this may raise a question whether it is not a disproportionate interference of the state power to the execution of self-government), respectively, at least by providing better and more detailed advice to municipalities in matters of tax administration. According to §4 paragraph 3 of the Act No. 333/2011 Coll. on governmental agencies for taxes, fees, and customs, as amended, the Financial Directorate of the SR informs the municipalities about any issues regarding the taxes and local duties administered by them, the issues of tax administration, and a special regulation, and informs the regions about the issues regarding the taxes that may be imposed according to a special regulation (Act No. 523/2004 Coll. on Budget Rules of the Public Service and of Change and Amendment of Some Acts). However, it is questionable how and to what extent the Financial Directorate informs the municipality in matters of local tax administration and fees. It can be pointed out that in practice there are also situations where some small municipalities are not aware that the Financial Directorate is a body of appeal-level, and therefore the municipalities hear an appeal (which is inappropriate, except in the case of self-regulation) or that it does not hear an appeal at all and the tax is rather not required.

All things considered, I believe that the Slovak Republic, in view of its previous development, application and compliance of the Charter in the area of local taxes and fees provisions has done quite well. However, the future development of the financial autonomy of local self-government is debatable. The recent transformation of the motor vehicles tax from the local tax to the state tax, that meant that nowadays higher territorial units as self-government units do not have income from local taxes, evokes that in the future there can be not only the approximation, but also the deviation from a strict compliance of the provisions of the Charter in the area of local taxes and fees.

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