Tax changes in the Czech Republic in the COVID-19 pandemic

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Keywords: real estate tax, road tax, income tax, value added tax, excise tax

Abstract: The covid-19 pandemic has since March 2020 led to declarations of several states of emergency, to shutting down of schools, restrictions on gatherings as well as many business activities, with the aim to stopping the spread and transfer of the virus. Apart from the program of compensation bonuses, program Antivirus, postponing of the electronic sales record and so on, the state has reacted to the situation through tax legislation. The presented paper defines some steps as a result of the pandemic that are connected to tax law, these being specifically real estate tax, road tax, value added tax and excise tax.

1. Introduction

The main purpose of tax reliefs in connection with the covid-19 pandemic in the Czech Republic was to provide help to persons struck by this pandemic with the aim to minimalize the impact on business activities or bankruptcies. The majority of tax relief were set either by the standard procedure that is by amendments to the appropriate legal acts or by an adaptation of a special act or by the decision of the minister of finance concerning mass tax remissions or it’s accessories based on section 260 of Act no. 280/2009 Coll., the Tax Code, as amended. All the decisions made by the minister of
finance are in force after their publication in the Financial newsletter which is currently published only electronically and available free of charge on the Ministry of finance web site.

This article presents a description of selected tax changes in the following taxes: real estate tax, road tax, income tax, value added tax and excise tax resulting in various deductions. The article considers the time period of March 2020 up till December 2021. One of the biggest changes in taxes was also the full suspension of the real estate tax as of 26th September 2020 and that with a retrospective effect for cases in which the deposit of the legal right to the real estate was carried out in December 2019 or later.

Bearing in mind the limited extent of the article the authors are not able to carry out the analysis of the taxation and accounting methods of individual support programs such as ANTIVIRUS or compensation bonuses, that are a tax bonus for the compensation of selected business consequences connected with the restriction or prohibition of business activity as a result of actions enacted by government bodies in order to protect citizens and prevent the risk of further spreading covid-19. The above stated implies that the compensation bonus is exempt from the income tax in full.

2. The changes in real estate tax

It is Act no. 338/1992 Coll., real estate tax as amended that regulates the real estate tax in the Czech legal system. It is a property tax that is divided into the tax on land and tax on dwellings and non-dwelling units. According to section 4 item 1a) of the Act on budgetary determination of taxes the tax revenue from the real estate is an income of the municipality, in which the property is situated.\(^1\) It is the only tax from the whole tax system for which the whole income goes into the budget of the municipality. As Radvan states, Anglo-Saxon countries, specifically the USA and the UK unambiguously have the highest quotient in the municipality budgets, where it accounts for the majority of tax incomes from municipal budgets.\(^2\)

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In the Czech Republic by no means the quotient reaches such values. Last year the total tax revenue from this tax accounted for 11.6 billion CZK and has hence increased annually by 6% or by 0.7 billion if you like. In connection with softening the impact of the covid-19 pandemic on the economy of the Czech Republic, the act on real estate was changed and has been in force since 1.7.2020 but as a result of Act no. 299/2020 Coll., that changed some tax law in connection with coronavirus SARS CoV-2 and act no. 159/2020 Coll., on the compensation bonus as amended (further on referred to as act no. 299/2020 coll.)

This amendment of the act changed only one statute, that being section 17a of the act on real estate, into which the headline “Pardon in case of emergency situation”. In section 17a item 1 of the real estate tax the first words “natural disaster” were replaced by “emergency, mainly natural incidents” and the words “natural disasters” were replaced by the words “emergency situation”. It was item 4 in section 17a of the real estate tax that was added and that enabled the municipality to issue a generally binding decree concerning pardon for all real estate in the territory of the municipality effected by the emergency situation or individual real estate effected by the emergency situation as stated by the law for example in the case of the land stated by register reference number with the name of the land registry where it is situated. Should the pardon concern individual real estate then it is obvious that the act demands clear denomination of the real estate and that directly in the municipality binding ordinance. For example, it will not be sufficient to mark the real estate in question in the drawing, but the act on real estate demands a binding way of delimitation. Without a doubt this step is taken in order to higher the legal certainty of the tax-payers.

The motivation of this change is clear with the aim to allow the municipalities to solve not only the results of natural disasters but also results


of emergency situations such as the pandemic. For the purpose of the act emergency situations are then mainly floods, heavy storms, and extreme drought, regulations caused by the emergency measures by Act no. 240/2000 Coll., on emergency management and on changes of some acts (emergency act) as amended or industrial disaster.5

In the scheme of the directive this provision is slightly ill-conceived as it is placed out of the pardon of the tax on land as well as out of the pardon of the tax on dwellings and non-dwellings.6 The above described statute was not largely used by the municipalities in the past. Radvan states that in case of natural disaster the municipalities cannot afford to lose the revenue from real estate tax as it is in these times that they need the money to deal with the results of damages to the municipal property.7

To be complete it is necessary to state that the pardon is limited to a maximum time-period 5 years and the pardon of the tax on real estate can also be calculated for the past tax period. The generally binding ordinance must be issued so that it came into force by 31st March of the year following the tax period in which the emergency situation happened. Based on the act on real estate it is also possible to be partially pardoned, that being expressed by a percentage.8

The tax-payer whose real estate tax is pardoned by the municipality must claim an exemption and apply for it in their tax return or in

5 The generally binding ordinances that state the coefficients for the calculation of the tax on real estate, pardon of some land that is part of the agricultural land resources, real estate that were hit by an emergency situation and pardon of the tax on real estate in preferential industrial zones. Metodický materiál odboru veřejné správy, dozoru a kontroly Ministerstva vnitra, accessed September 10, 2021, https://www.mvcr.cz.
6 Procházková Jana, Komentář k daní z nemovitých věcí s příklady (Bohuňovice: Účetní Portál a.s., 2021), 158–159.
the supplementary tax return. This is then based on the fact whether the municipality does so by the ordinance of the real estate for those periods that have passed.⁹

Based on our own analysis of notice boards of 200 randomly selected municipalities of the Olomouc region not a single municipality was found to have informed the tax-payers of the tax exemption through the public notice board neither in 2021 nor retrospectively for the year 2020. From this it can be deduced that this possibility was not collectively used in the observed time period by other municipalities. The authors believe that this is also connected with the fact that this tax is still relatively low in the Czech Republic so the municipalities did not feel the need to interfere in this way. The quotient of the revenue of the real estate tax on total tax revenue (including social and health insurance) is in comparison with other EU countries one of the lowest ones. For example in 2019 the tax revenue accounted for 0,5% while the EU average was 3% (this does not include the UK which had left the EU by then). The revenue of the real estate tax that is singularly an income of the municipal budgets reached in 2020 11,6 billion CZK, the year-on-year increase reached 6%. In 2021 the income reached 11,9 billion CZK. Based on that we can easily deduce that no significant tax exemption took place.¹⁰

In accordance with section 13 item 1 of the Act on real estate tax the tax payer has to hand in tax return to the appropriate tax authority by 31st January of the tax period. In connection to the pandemic it has been decided for the year 2021 by the ministry of finance to alter this duty. On one hand the fine for handing in the tax return or the partial tax return late was pardoned for the year 2021, in that case the tax return is to be handed in by the 1st April 2021 at the latest. The above mentioned also extends the modification of the real estate tax based on which the tax-payer should have a duty to hand in the tax return or the supplementary tax return and hands it in

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after the deadline without being summoned by the tax administrator, there
is no duty for the tax payer to pay a fee for a late tax claim. This has not
touched on the deadline to pay the real estate tax which is due on 31st May
at the latest in the case the sum does not exceed 5000 CZK. Should it exceed
this sum it is possible to pay it in two tax instalments.

3. Changes in the road tax

The road tax in the Czech Republic is regulated by Act no. 16/1993 Coll., on
road tax as amended and all the revenues go into the State fund for transport
infrastructure that secures financing of its administration and the construc-
tion of transport infrastructure.\textsuperscript{11} It is the single tax of the Czech tax sys-
tem that is purposeful that is that the aim and purpose of the revenue from
the tax is known beforehand. When it comes to the revenue of this tax, last
year, the year 2020 the revenue was circa 6.4 billion CZK.\textsuperscript{12}

The legislation of this tax was also affected last year by the coronavi-
rus. As of 1\textsuperscript{st} January 2020 the yearly rates of the road tax were lowered for
all vehicles with the exemption of passenger cars and other vehicles with
the highest allowed weight not over 3.5 tons.\textsuperscript{13} Considering the construc-
tion of the rates of the tax it was also taken into account that vehicles with
their weight under 3.5 tones are not subject to the electronic system of toll
fares and further on they are not subjects of a minimum amount of road tax
based on the EI community legislation.\textsuperscript{14} Regardless of the number of axles
the road tax for cars with max weight over 3.5 tones was lowered by 25%.

In the Czech Republic it is section 10 of Act no. 6/1993 Coll., on road
tax as amended that regulates the payment of the tax, and that in four ad-
vanced instalments. These instalments are always due by 15\textsuperscript{th} April, 15\textsuperscript{th} July,
15\textsuperscript{th} October and 15\textsuperscript{th} December. It is the instalments f 15\textsuperscript{th} April and 15\textsuperscript{th} of
July 2020 that are connected with the decision of the minister of finance to

verejny-sektor/statni-rozpocet/plneni-statniho-rozpocetu/2020/statni-zaverecny-ucet-za-
rok-2020–41689.
\textsuperscript{13} Act on amending certain tax laws in connection with the occurrence of the coronavirus
\textsuperscript{14} Directive (EC) of the European Parliament and of the Council No. 1999/62 on the charging
of heavy goods vehicles for the use of certain infrastructures (17 June 1999).
pardon the tax and the accessories of the tax as a result of the emergency situation, based on which the payers were allowed to pay the advance on the road tax by 15th October 2020 without sanction. Despite that the majority of the road tax-payers paid the advances in the original amount. If the payer paid in advance more, the difference was automatically used against the other advances on taxes or as a payment of the actual road tax for 2020. The advances will be disbursed in this way gradually until the difference is depleted. If even after the assessment of the road tax for 2020 a part of this difference will not be used, it will turn into a returnable overpayment and the tax-payer can either ask for its return or it can be used for the advance payments in the year 2021.

On 14th October 2020 another decision was made to pardon tax, accessories to the tax and advances to the tax as a result of the emergency situation. This concerned the tax subjects for which the predominant part of their income between 1st June 2020 and 30th September 2020 came from one or more activities that were from 14th October 2020 prohibited or limited by the cabinet resolution such as for example running restaurants and bars, musical, dancing or gaming and similar social clubs or discos and for those all the road tax advances for the whole year 2020 were pardoned. The condition being that the tax subject announces this fact to the competent tax administrator but this decision does not pardon the actual payment of the tax. On 26th October 2020 a new resolution was made about the pardoning of the accessories to tax and advances to the tax as a result of the emergency situation. It was due to this decision that also pardoned the advances for the road tax for the year 2020 for selected subjects. These subjects are those for which the predominant part of their income was made within 1st June 2020 and 30th September 2020 from retail or sale and provision of services in workshops, with the exemption of those whose activity were allowed by the cabinet resolution concerning the emergency measures from 21st October no. 1079 that were allowed with the condition that they announce this fact to the competent tax authority.15

The last so called general pardon is the Decision to pardon the accessory to the tax and advances to the tax and administrative fee as a result

15 Mikuš, Martin, Václav Pikal, and Naděžda Slavíková, Komentář k dani silniční a k dani spotřební (Bohuňovice: Účetní Portál a.s., 2021), 11–12.
of an emergency situation no. 34159/2020/3901–2, which was published on 21st December 2020 in Finanční zpravodaj (Financial newsletter) no. 38/2020. This general pardon also concerns the pardoning of the advance on road tax and that for the tax period of 2021 and applies to selected tax subjects.

To the tax subjects to which was allowed to wait with the tax payment or to spread their payment of the advances in connection with SARS-CoV-2 based on the individual application in accordance with section 156 of the tax code the interest on late payment based on section 252 of the tax code and based on section 157 of the tax code was pardoned should it have occurred in the period of 12th March 2020 to 31st December 2020.

Concerning the deadline to hand in the tax return, the penalty based on section 250 item 1 of Act no. 280/2009 Coll, tax code as amended for late handing in of the tax return for the road tax for the year 2020 was pardoned with the condition that the tax return will be handed in at the latest by 1st April 2021. As it has already been stated above, in the Czech Republic the 31st January following the period in question is the due date to hand in the road tax return in accordance with section 15 item 1 of act no. 16/1993 Coll., on road tax as amended.

The above-mentioned changes in connection with the economic downturn in 2020 resulted in a slump in the road tax revenue whereupon the main reason for that was the shift of the due date for the advances on the tax into the year 2021 as a result of specific government measures. The tax revenue towards the State fund of the transport infrastructure amounted to 17,8 billion CZK against the 20,5 billion CZK in 2019. In 2021 this income amounted to 18,3 billion CZK. In order to fully understand these numbers it needs to be stated that part of these incomes also consists of 9% of the tax on mineral oils. The National account does not provide concrete numbers for the year 2021 but mentions there was a slump in income compared to that of 2020.16

4. Changes in the income tax

It is Act no. 586/1992 Coll, on income tax that regulates the income tax of individual and legal entities in the Czech Republic. Last year the revenue of the income tax amounted to 231.7 billion CZK from which 77.7 billion CZK was transferred into the regional budgets and 154.1 billion was the revenue of the state budget.17

One of the most significant changes with the impact on the income tax revenue is the abolition of the so called “supergross salary” as a basis for income tax from employment income. It is not the “supergross salary” as a basis for tax anymore. Up till the end of 2020 the “supergross salary” consisted of gross salary and deductions for social (24, 8% of gross salary) and heath care (9% of “supergross salary”) insurance and was the basis for the income tax. This has been abolished as of 2021. Another important change in connection with this tax is the increase of the basic default tax credit to 27,840 CZK from the original 24,840 CZK. Both these changes led to a dip in the state budget of 56.7 billion CZK.18

The other area of changes that we would like mention in connection with the pandemic is the pardon of sanctions connected with the late submission of the tax returns and late tax payments. In this case there is no actual change in the legal deadline for handing in the income tax return for individual or legal entities. Considering the year 2019, the so-called liberating package pardons the fee for the late handing in of the tax return and the interest due on late payment, should the tax subjects hand in the tax return and paid the tax by the latest to 18th August 2020. This possibility did not include tax subjects whose tax administrator is the specialized financial office such as banks, saving banks or credit cooperative, businesses with a turnover over 2 billion CZK. It can also no doubt be looked at positively that the stated sanction free period applies also to tax subjects which missed the period for handing in the tax return as of 1st April or to tax subjects that are due to hand in the tax return within a prolonged period as of 1st July in cases they are being handled by a tax advisor or by an attorney. But in the case of missing the deadline of 18th August 2020 by

18 “State final account.”
the tax subjects, both sanctions were as of the original legal deadline that is 1st April 2020 or 1st July 2020. In 2020 the advance on income tax for 2020 that was due by 15th July 2020 was also pardoned.

Same as in 2020 this year the due date for handing in the tax return without sanctions has been prolonged. The tax-payers who wanted to hand in the income tax return in paper form physically to the financial office or by post were allowed to do so by 3rd May 2021. Persons who prepared an electronic form of communication and handing in of the tax return had the deadline as of 1st June 2021.

Amendment of the act on income tax no. 299/ 2020 coll. gave businesses an opportunity to retroactively apply the tax loss which was something new. The running of business ventures was rather strictly limited in connection with the accepted measures which led to the fact that the businesses lost a large part of their revenues. This amendment then tried to react to the situation by providing the possibility to use the tax loss as a deductible item from the tax base also for the tax period that is prior to the tax period for which the tax was calculated. The tax-payer can then newly apply the tax loss in two tax periods previous to the tax period in question or the period in which the tax return is handed in. The legislator must have assumed that the positive tax duty obligation set in the past (after the retroactive application of the tax loss as a deductible item from the tax base) will be in the end – either fully or partially – represented as an overpayment of income tax. It is not then a discharge of the tax payment obligation but it’s a different distribution in time, when it is possible to apply the tax loss as a deductible item from the tax base in a retrospective manner. The aim of the legislator is then the possibility to gain back financial means for an already paid tax in previous tax periods and hence achieve the fact that the tax payer will get the financial means in the times when it is needed the most – the amount of tax loss that can be applied to the previous time period is limited to 30 million CZK (the limit is set as a sum for both previous time periods in which the tax loss would be applied). The retrospective application of the tax loss is then possible based on the additional tax return (the possibility to hand it in together with the tax return for the period in which the tax loss occurred).

Based on the qualified estimation of the ministry of finance, this change has led to a dip in tax revenue in 2020 for the employment income tax of 2
million CZK and in the income tax of legal entities of 98 million CZK. For the year 2021 the dip for legal entities was quantified to be 1,137 billion CZK and 23 million in the case of personal income tax. Concerning other changes for which the possible impact on the state budget can be quantified the authors believe that it’s the pardon of the tax advance on personal income tax that led to the dip of 1,66 billion CZK and 13,7 billion CZK in the case of corporate income tax in 2020. In 2021 the impacts of individual requests to adjust the advance on corporate income tax were quantified to be 22,222 billion CZK.\(^9\)

As another example of the changes in the income tax by which the state tried to support the entrepreneurs we can add the possibility of the so-called exceptional amortisation and that for the assets in the first and second group that were purchased from 1\(^{st}\) January 2020 to 31\(^{st}\) December 2021. The amortisation is a part of the input price that the tax-payer can apply as a tax applicable item in one year. This exceptional amortization concerns tangible assets classed in the first depreciation group that is attachment no. 1 to the act on income tax and for which the tax-payer who is its first owner can write-off equally without interruption the whole 100% of the input price within 12 months. The first depreciation group contains for example computers, machines or office equipment and the classical depreciation period is 3 years. Further on the exceptional amortization is also applied in the second depreciation group based on attachment no. 1 of the act on income tax for which the tax payer who is its first owner can write off without interruption 100% of its input price within 24 months (while for the first 12 months the write-offs are equal up to 60% of the input price of the tangible asset and in the following 12 months the write-offs are equal and up to 40% of the input price of the tangible assets. The second depreciation group contains for example personal and freight vehicles or machines that are classically depreciated within the 5 year period.

In the area of legal jurisprudence of the assets the limit for write-offs for tangible moveable assets and technical appreciation was raised from 40,000 CZK to 80,000 CZK. This increase was possible to optionally use

also for the tangible assets and for technical appreciation of assets finished and put into the normal state of use from 1st January 2020 to 31st December 2020. The tangible assets purchased from 1st January 2021 and technical appreciation of the assets finished and put into the normal state of use from 1st January 2021 are subjects to this increase in all cases.

5. Changes in the value added tax

The domestic jurisprudence of the value added tax is based on Act no. 235/2004 Coll., on value added tax as amended. The value added tax in the Czech Republic is as well as in other EU member countries fundamentally affected by the jurisprudence of the EU. The tax revenue is in this case divided into the regions with 9,78%, municipalities with 25,84% and the rest goes into the state budget.20

In the Czech Republic there are three VAT rates applied. The basic rate of the value added tax is 21 %. Apart from this basic rate the legislation also sets two lower rates, the first lower rate is 15% and the second lower rate is 10%. The goods and services that are subject to the lower rates are regulated in the attachments of the act on value added tax.21 Bearing in mind that the government measures in connection with the prevention of the spreading of the coronavirus has strongly hit mainly accommodation providing services, cultural events, sport events and sport services, the legislator then decided to lower the tax duty for these services. Before the amendment these services belonged to the first lower group with the value added tax of 15%. As a result of the change the accommodation providing services, entrance authorisation for sport and cultural events, catering services, use of sport facilities as well as personal transport by ski lifts were moved into the second lower group with the value added tax of 10%.

The measures in connection with the coronavirus can then be divided into several areas them being process benefits such as a waiver of the interest on the delay of overdue VAT payments for the set time-period, use of the institute of delay based on the decision to pardon the tax payment and

20 Act no. 243/2000 Coll., on budgetary determination of selected taxes of the municipalities and selected state funds (Act on budgetary determination), as amended.
21 Hochmannová Olga, Komentář k dani z přidané hodnoty s příklady (Bohuňovice: Účetní-portál a.s., 2021), 112.
administration fees for the reasons of the emergency situation. The pardon of the tax is applied practically to a free of charge service of providing the fulfilment of basic needs brought about by an emergency situation which the coronavirus pandemic is. These basic needs are mainly the test kits or machines and tools used to diagnose covid-19, masks, respirators, protective gear, disinfectants, and others. In 2021 the pardon of VAT for vaccinations and tests has cost the state 1 billion CZK and 367 million in the case of respirators based on the qualified calculations of the ministry of finance. The condition for the pardon of the VAT is a free of charge delivery of the specified goods of provision of specified services to selected subjects. These subjects are for example the providers of health care or emergency services. Another area in which the VAT is pardoned in exchange for free of charge delivery of listed goods and provision of free of charge services for selected subjects and pardon of the VAT for import of selected goods.

In 2020 the whole state revenue from this fiscally most important tax amounted to 426,4 billion CZK based on the data of financial and customs offices, that represented a yearly decrease by 1,2% (that is 5,1 billion CZK). The drop in the collection was primarily caused by the slump in the economy as a result of the rampant spread of covid-19, discriminatory measures and measures aimed at alleviating the impact of covid-19. Among other quantifiable impacts of the above-mentioned changes in 2020 it can also be mentioned the postponement of the tax that led to a drop of 714 million CZK and the factual shift in due date leading to a drop of 294 million CZK. For the year 2021, the postponement of the tax was then calculated to amount to 547 million CZK.22

6. Changes in the excise tax

The need to amend Act no. 353/2003 Coll., on excise tax as amended was also brought about by the covid-19 pandemic. Comparatively hyped was the so-called tax on spilled beer that we would like to present in the following text. As a result of the first above mentioned amendment of the excise tax the tax administrator was allowed, in justified cases, to allow the operator of the warehouse to return the beer already liberated into free tax circulation back into the regime of conditional pardon from the excise tax

22 Hochmannová, Komentář k dani, 112–113.
for the purpose of liquidation or recycling. Return of the excise tax can then help the operator of the warehouse to compensate the shortfall of sales that was the result of the coronavirus.\(^{23}\) The new statute section 89 item 4 of the Act on excise tax had only a limited effect that being until 31\(^{st}\) December 2020. In December 2020 the senators finally in the second attempt authorized in the state of legislative emergency the amendment of the act on excise tax that as of 1\(^{st}\) January 2021 allowed the breweries to return the unconsumed beer designated for liquidation or for recycling back to the regime of conditional pardon indefinitely. This fact must be substantiated to the tax administrator by which a claim rises for the brewery to get the already paid excise tax back.\(^{24}\)

Regarding this tax it needs to be added that the revenue from beer does not represent the most significant type of goods within excise taxes. That is represented by the tax on mineral oils with the revenue of 84,9 billion CZK for the year 2020. The tax on beer is in comparison very small and amounted to 4,9 billion in 2020. In comparison to 2019 there was not a significant decrease in the collection of this tax amounting to a decrease of 0,2 billion (that is around 4,2%). Though beer consumption was also hit by the long-term closure of restaurants and pubs who are the largest purchasers of barrelled beer, the impact on the collection of this tax on beer was not as noticeable as in the case of spirits. This might be attributed to the way the breweries reacted to the situation by increasing the production of beer stored in other ways such as glass bottles, plastic bottles, cans, and the fact that the covid-19 situation probably resulted in an increase in the consumption of beer at home.

A more significant change in the tax was the decrease from 10,95 CZK per litre to 9,95 CZK per litre in the case of diesel fuel in connection with the pandemic as of 1.1.2021. This led to a decrease of 4,727 billion CZK.\(^{25}\)

\(^{23}\) Procházková Jana, *Komentář k majetkovým daním, dani silniční a sani spotřební s příklady* (Bohuňovice: Účetní portál a.s., 2020), 121.


7. Conclusion

It is clear that all the impacts of the covid-19 pandemic on public budgets in both 2020 and 2021 were enormous as well as realistically incalculable. The impacts on revenues and expenditures of the public budgets can be in both above mentioned years labelled as the main cause of record deficits in the state budget management. The governmental measures lead by the endeavour to limit the spread of covid-19 as well as the help they provided to those sectors of the economy that were hit as well as individuals, the social and health care system, have in its result lead to an unprecedented drop in the gross domestic product accompanied by a drop in public budget revenues as well as a vast increase in public expenditures.

In 2020 the state budget faced a deficit of 367,4 billion CZK. The tax revenues including social and health insurance in 2020 reached 1 258,7 billion which represented a drop of 57,0 billion CZK (4,3%) compared to 2019. The year-to-year drop influenced by the limitation of the output of the economy and the established discretionary measures effected mainly the collection of the corporate income tax (-15,1 billion CZK), social and health insurance (- 11,1 billion CZK), abolishment of the real estate tax (- 11,1 billion CZK), the personal income tax (-7,5 billion CZK) and excise duty on mineral oil (-6,9 billion CZK). Considering the taxes that bring in the most income to the state budget there was only the change in year-to-year collection of excise tax on tobacco (+ 3,6 billion CZK) and personal income tax instalment (+0,4 billion CZK) that increased. Through the contributions to the municipalities received 13,4 billion CZK which was designed to soften the impact.26

The state budget management for the year 2021 ended up with a deficit of 419,7 billion CZK. The overall estimated negative impact reached 87,7 billion CZK. A special part of the so-called tax package was also an alternation in budgetary determination of taxes to the advantage of the municipalities (from 23,58% to 25,84%) and regions (from 8,92% to 9,78%) concerning income tax and VAT. There were also two important changes in the personal income tax. Two tax rates 15% and 23% were introduced and

the increase of the tax credit per payer by 3 000 CZK with the estimated negative impact of 11,7 billion CZK. The revenue side was then negatively impacted by the awaited impact of the compensation bonus that is technically a tax refund. For these reasons, the estimation of the collection of personal income tax was lower by 25,4 billion CZK than that calculated in the public budget. Further measures within the tax package which had an impact on tax collection was the implementation of the so-called exceptional amortisation for tangible assets in the 1st and 2nd amortisation group with the negative predicted impact of 11,1 billion CZK on the budget and an increase in the limit for the entry price for tangible assets to 80 000 CZK with the estimated negative impact of 2,4 billion CZK on the public budget. The impact of the earlier abolished real property tax for the year 2021 was estimated to be 13,9 billion CZK.27

This analysis has also discovered that the legislative change of the possibility to free the payer from the duty to pay real estate property tax has hardly had any impact on the collection of this tax, when the collection of this tax has shown an increase in both reviewed years. Regardless of the fact that the total numbers are not known it can be assumed that the use of the possible exemption was for the municipalities very small which the authors have verified by their own research with the sample of 200 randomly selected municipalities in the Olomouc region out of which no municipality used this possibility. More serious impacts were brought about by the administrative and other tax measures concerning income tax when there was a large drop in tax revenue for the public budget. The concrete numbers that can be quantified were mentioned in the text above. In this context the authors would like to point out the large increase in the consequences of the possibility of a retroactive exercise of a tax loss for corporations. The results of this for the year 2021 were 98 million CZK but in 2022 they have so far reached 1,137 billion CZK based on the available data. Considering that there was also a significant drop in tax revenue for VAT and road tax as a result of the legislative changes connected with the pandemics as established in the text. Nevertheless with the VAT for the year

2021 there can be seen an increase in the tax revenue by 8.7% in comparison to the previous year (37.2 billion CZK) whereas the actual total state revenue of this fiscally most significant tax was 463.7 billion CZK.\textsuperscript{28}

The last but not least analysed tax was the excise tax and it was the widely publicised change concerning beer for which the actual quantification is very difficult if not impossible to calculate. Nevertheless, in terms of tax revenues this tax is insignificant. On the other hand, the decrease by 1 CZK for diesel in connection with the pandemic in 2021 lead to the decrease in tax revenue of 4,727 billion CZK.

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