Personal income taxation

Abstract

This diploma thesis comprehensively discusses the topic of personal income taxation, both in terms of general tax theory and specific personal income tax. One of the aims of the thesis is to highlight some problematic aspects of this taxation. The main sources for this thesis are, in addition to monographs and selected Internet sources, mainly legal regulations.

The thesis is divided, apart from the introduction and conclusion, into four main chapters. The first chapter called General part of tax law deals with the concept of tax, introduces a general classification of taxes with the subsumption of personal income tax, describes the tax system of the Czech Republic and deals with the basics of each tax – construction elements of the tax.

The second chapter, with the title Legal regulation of personal income taxation, describes the main sources of this legislation in their formal sense. The constitutional anchoring of taxes, tax laws and some sub-legal norms are discussed.

The third chapter, called Construction elements of personal income tax, is considered the core of the whole thesis. The basic and other construction elements, by means of which this tax is defined and without which it could not exist, are analysed in detail. Among others, this chapter deals with subjects of personal income tax, its object, overall tax base and partial tax bases, tax rate and maturity of this tax.

The last, fourth chapter explores selected problematic elements of personal income taxation in the Czech Republic. It mentions the complexity and incomprehensibility of tax legislation, high administrative demands on taxpayers and the unique concept of taxation of labour through the tax base in the form of super-gross wage.

The thesis concludes that the complexity and incomprehensibility of this legislation has its justification as most elements of taxation need to be precisely defined in order to cover all necessary circumstances. The example of the recent evolution of the taxation of working old-age pensioners also shows high level of susceptibility of taxation legislation to changes motivated by current political objectives. Moreover, there are mentioned some possible changes in the tax legislation, which are currently being discussed.

Keywords: Tax Law, Personal Income Tax, Taxation, Super-gross Wage