

Purpose and significance of Real Estate Acquisition Tax

Abstract

This thesis focuses on purpose and significance of real estate acquisition tax in Czech Republic. Its objective is to evaluate Czech legal regulation of real estate acquisition tax before it has been repealed as well as evaluating of causes and consequences of its repeal. Another objective is to outline possible options for taxation of property to the future.

This thesis is divided into four chapters. In the first chapter there are defined basic tax concepts, analysis of Czech real estate acquisition tax before it has been repealed and also a brief historic evolution of this tax. Second chapter is focused on international comparison of taxation at first in general matters such as comparison of tax to GDP ratio, tax structure or size of a property taxes. Then thesis compares Czech legal regulation of real estate acquisition tax with legal regulation in two neighbouring states – Germany and Slovakia. Third chapter elaborates administrative cost of Czech real estate acquisition tax. It is divided into three parts. First being administrative costs of public sector, second is administrative costs of private sector and third part briefly analyse excessive tax burden. Fourth and last chapter elaborates on the basis of information from the previous chapters more closely purpose and significance of this real estate tax. In the last part of this chapter author gives few options *de lege ferenda*.

Czech real estate acquisition tax never held a strong position in whole tax system. Its tax revenue is very small compared to total tax revenue in Czech Republic. On the other hand, in the category of property taxes real estate acquisition tax played essential role. Property taxes in Czech Republic were on very low levels even before real estate acquisition tax was repealed according to data from OECD. Repeal of Czech real estate acquisition tax will significantly offset Czech Republic in property taxing. Author thinks that this state of property taxing is unfortunate and that it should be improved. For that case he suggests ideas for solutions.

Key words: Real Estate acquisition tax, property taxing, transfers of property