

Abstract

This thesis is devoted to groups as value added tax payers. This concept was introduced into Czech law on 1st January 2008. A VAT group enables persons that meet the criteria required by the VAT Act to be considered a single taxable person, i.e. a single tax payer. The Czech VAT group legislation is based on article 11 of Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax. The aim of this thesis is to present and thoroughly analyze VAT group legislation in Czech law, and to point out certain pitfalls of this legislation, including its interaction with EU law, and the law of some of the other EU member states. A secondary goal is to assess the rate at which VAT groups are being used in the Czech Republic.

The first chapter describes VAT group in EU law, and its introduction into the Czech legal order. The second chapter discusses the requirements that the law puts on members of a VAT group, with extra emphasis on the requirement of close binding of persons, including the membership of physical persons and non-taxable persons in a VAT group. The third chapter deals with VAT group as a subject of legal relations, describing in more detail the concept of a representative member and the responsibilities of a VAT group member. The next chapter takes a more practical look on VAT group and its usefulness in the Czech Republic. Besides an analysis of pros and cons, it also presents some statistical data regarding the use of VAT groups in the Czech Republic. The final chapter clarifies some of the differences between VAT group legislation in other EU member states and their relation to the Czech legislation.