

International and national aspects of double taxation - Resumé

This thesis pays attention to the area of double taxation and its related national as well as international aspects. The reason for discussing this subject was its importance for removing the obstacles that double taxation presents to the development of economic relations between countries.

The thesis is divided into five chapters. There are six annexes attached that are important to grasp the topic in its complexity.

The first chapter is devoted to theoretical questions of double taxation. It is concentrated particularly on issues such as legal framework of taxation, the national and international treatment of double taxation from the point of view of the principle of origin, measures to eliminate double taxation by way of national unilateral measures or international Double Tax Conventions. The end of the chapter presents examples of national double taxation in the Czech Republic. The rest of the thesis discusses international double taxation.

The second chapter is concerned with national aspects of international double taxation and describes legislation related to double taxation in the Czech Republic. As the point of departure to the analysis the following acts were used: Act No. 586/1992 Col. and Act No. 337/1992 Col., particularly those parts that cover areas of definition of taxpayers with unlimited tax liability (tax residents) and limited tax liability (tax non-residents) and also provisions for the avoidance of double taxation.

The third chapter which I consider the most important discusses international aspects of international double taxation. It consists of following issues: historical background of bilateral and multilateral Double Tax Conventions, legal aspects of those international conventions, model tax conventions prepared to facilitate their negotiation (Model Tax Convention on Income and Capital, United Nations Model Double Taxation Convention between Developed and Developing Countries). The next part of the chapter compares the Double Tax Conventions negotiated in the Czech Republic since 1997 with the Czech model convention that is based on international model conventions. The final part of the chapter

presents other international conventions with provisions concerning double taxation and activities of the EU in this field.

The fourth chapter consists of a case study of taxing Czech taxpayers in the Slovak Republic after taking account of application of the Convention between the Czech Republic and the Slovak Republic for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital. The chapter ends with the evaluation of the comparison of taxation with and without application of Convention.

The fifth chapter describes methods designed to avoid or limit double taxation. There are two main methods to avoid double taxation (the exemption method and the credit method) and an additional method to limit double taxation (called here the inclusion of tax paid abroad in costs).

Findings of this thesis demonstrate that the issue of double taxation is paid a substantial attention in the Czech Republic as it is demonstrated by a large number of Double Tax Conventions negotiated since the Czech Republic was founded in 1993. The current number of these conventions is 75 and further agreements are in the process of ratification and negotiation. The taxpayers Czech residents obtain a lot of benefits from agreed Double Tax Conventions that can be seen as an important factor of stimulating international trade as had been intended by these conventions.

Klíčová slova

Dvojí zdanění

Daň z příjmů

Smlouvy o zamezení dvojího zdanění

Keywords

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Tax on Income

Double Tax Conventions