

## **Implementation of EC Directives in the area of direct taxation into Czech law.**

### **Abstract**

The purpose of the thesis is to assess the current status regarding an implementation of EC Directives harmonising direct taxes into the Czech Income Tax Act. The thesis is composed of seven chapters.

The chapters One is introductory and deals with basics of EU tax policy and their reflections in Treaty Establishing the European Community. A brief history of direct tax harmonisation within European Community follows in chapter Two. This chapter also outlines a proposed Directive on Common Consolidated Corporate Tax Base.

Chapters Three, Four Five, and Six concentrate on implementation of the following directives as amended: Council Directive 90/434/EEC on the common system of taxation applicable to mergers, divisions, partial divisions, transfers of assets and exchanges of shares concerning companies of different Member States and to the transfer of the registered office, of an SE or SCE, between Member States; Council Directive 90/435/EEC on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States; Council Directive 2003/49/EC on a common system of taxation applicable to interest and royalty payments made between associated companies of different Member States; and Council Directive 2003/48/EC on taxation of savings income in the form of interest payments. Each Chapter describes the content of the respective Directive with explanation of the background concerning the legal instruments regulated by the Directive from legal and economic perspectives. The text is focused on implementation of requirements of each Directive in specific provisions of the Czech Income Tax Act, discussing potential weak points in respect of correctness and arrangement of the wording.

Conclusions are drawn in Chapter Seven. Although the implementation does not show significant lapses and is subject to on-going revision by the Czech Authorities, it significantly contributes to disorganised wording of the already heavily amended Czech Income Tax Act. The thesis recommends enacting new Czech Income Tax and provides basic outline of its structure. The potential ideas for further analyses in the area of direct tax harmonisation are also presented.

**Klíčová slova:** daně z příjmů, implementace, právo evropského společenství

**Keywords:** EC law, implementation, income taxes,