

Abstract

The Taxation of Income from employment

The aim of this thesis is to summarize and describe issues of legal regulation of the taxation of income from employment in the Czech Republic including its historical development and international context. Regulation of tax in general is quite complicated so it is the case for tax on income from employment. This thesis is trying to explain some important concepts which are essential for understanding how an income from employment is taxed.

The thesis consists of an introduction, six chapters and conclusion.

First chapter explains what is meant by employment and what legislation is devoted to legal regulation of the taxation of income from employment.

Second chapter describes historical development on the territory of the Czech Republic from 1918 to 90's of the 20th century that preceded current legislation, to which is dedicated the next chapter of this thesis.

The current legal regulation is described with the focus on regulation of the subject and the tax base of the income tax from employment. Part of this chapter is information about tax allowances, tax deductions and tax benefits for a dependent child. Regulation of the payment method and related matters follows, including the implementation of the annual tax settlement or the duty to the tax return.

One chapter is focused on the bilateral agreements on double taxation including regulation of tax residents and non-residents. Next part of this chapter explains terms economical employer and international rent of the workforce.

The last chapter contains possible changes which might happen with respect to ongoing preparatory work on the new The Income Taxes Act.

In the conclusion of thesis is summarized the processed topic and foreshadowed possible future development concerning the issue of taxation of income from employment.