

Abstract: Taxation as State Aid

The purpose of my thesis is to analyse taxation in connection with state aid. The reason for my research is to find out how Member States of European Union can use taxation without interfering with state aid provisions.

The thesis is composed of three chapters. Chapter One is an introduction to the topic. There is a description of basic state aid provisions, taxation within European Union and the tax competition between Member States.

Chapter Two examines article 107 of the Treaty on the Functioning of the European Union in respect of taxation. The chapter consists of nine parts. Five ones further discuss constituent elements of state aid, where the main attention is given to selectivity as the main problem in state aid cases. Another four parts focus on procedure, judicial review, recovery of state aid and de minimis regulation. This chapter is the key part of the thesis because it pursues better understanding of state aid definition with respect to taxation.

Chapter Three concentrates on problems resulting from the intersection of state aid and taxation such as the influence on double taxation treaties, discretionary powers of Member State's authorities, different taxation of autonomous regions, and so on.

Conclusions summarize the importance of state aid in internal market and analyse the possibilities for Member States' taxation, which is the main aim of the thesis. I suggest that they should be careful with using taxation as a way to attract investors, because it usually comes to difficulties with state aid law. The proposed conditions are the most important part of the thesis; they help to answer the question whether the particular provision of Member State's legislation is outside the state aid area or whether it can fall into the legal exemptions from the general prohibition of state aid.