

## Taxation of Personal Income (a comparison of the legislation in the Czech republic and selected countries of EU)

The topic of taxation of personal income has been chosen by the author of this diploma thesis. The original purpose was to describe and analyze the legislation in two states, Czech Republic and Slovak Republic, which had existed as a common state more than 70 years in the 20<sup>th</sup> century. Therefore it could be interesting to follow up, what had happened during the last 20 years after the disintegration of the common state. This thesis is divided into five parts (including an introduction and a conclusion), which are generally subdivided into the chapters and subchapters. The thesis was written in accordance with the law applicable on the 1<sup>st</sup> October 2013.

In the first part of the thesis, the author deals with the Czech laws regulating an income tax of individuals. She defines and briefly explains an essential terminology related to that part of legislation including some proposed amendments of the Acts. As a main source the Law on Income Taxes, no. 586/1992 was used. It is important to highlight also the chapter number 4 which is focused not only on the Czech territory, but which analyses the problem with an international double taxation of worldwide incomes of a natural persons, including international agreements in that domain.

The second part deals with Slovak legislation of the same legal area, which is shortly described. It contains also a comparison of statutory provisions regulating individual income tax in relation to the Czech ones. Slovak part is based on the Act no. 595/2003, which is noticeably younger and more modern than his Czech equivalent. The assessment of legal regulation in both states is included in the conclusion of the thesis.

The third part of this thesis concisely describes an actual situation in the European Union. The author focused on main trends in income tax issue in the EU and concentrated on country-specific recommendations addressed from the European Commission to the Czech Republic. There is also a comparison of personal income tax rates in the member states of EU.