

Diploma Thesis Abstract

This diploma thesis is focused on value added tax (VAT) from the perspective of Czech and European law. VAT was introduced in the 50s of last century and became the general indirect tax in the European Union (EU).

This thesis is introductory analysis of VAT law that is regulated in the Czech Republic by Act No. 235/2004 Coll., on Value Added Tax, as amended and in the EU by the Council Directive 2006/112/EC of 28 November 2006 on the Common system of Value Added Tax and basic comparison with regulation in the Slovak Republic by Act No. 222/2004 Coll. of Acts, on Value Added Tax, as amended. At the end it results in possible trend towards internal market and the need for effective action to combat the tax fraud and tax evasion in the future.

The first chapter describes characteristics of VAT in the frame of tax law in the Czech Republic's law system.

The second chapter presents short history of VAT as the general indirect tax in the Czech Republic since 1993 and analyses the Act No. 235/2004 Coll., on Value Added Tax and its institutes and provisions with relation to judgements made by courts. It continues with impact on tax maintainance by institutions as the General Financial Directorate and on criminal law.

The main chapter goes through one of the EU rules that has huge impact on legislation of its member states in the area of VAT. It is the Council Directive 2006/112/EC. First of all item of European law and its sources are analysed. Then there are pointed up crucial provisions that influence rules in the national legislation of the member states.

The follow chapter intends to compare VAT law of the Slovak Republic as the member of the EU with the Czech law. Some differences are described. History and current tasks for financial authorities are mentioned.

The last chapter tries to find possible steps for improvement of VAT in common European territory in the future.

Finally, the author reached conclusion the Czech and the Slovak laws are in harmony with the EU directive and respective regulations based on above mentioned findings. Of course, there are differences in national laws that are authorized to apply

deviations or have to be explained and applied in compliance with the EU law and to obey it.