

Master's Thesis describes changes that occurred to the income tax in general, but the main focus is on change, that came through in recent years in the Czech Republic. Particularly tax reform, which is valid from 1.1.2008. The paper is divided into three parts. The first part is split into two sections: natural and legal persons. In this part there are theoretically described mainly characteristics of these persons. This is essential for studying particular impacts of the tax reform changes, which are described in detail in the following chapters. The second part is also divided into two parts, and each section discusses the tax reform from the point of view of natural and legal persons. This part was enriched by short examples always calculated for years 2007, 2008 and 2009, so that we can see the impact of the reform in these particular years both practically and in numbers. In third part there is a description of microeconomic analysis of income tax for natural as well as for legal persons. This part deals with the advantages and disadvantages of the existence of the income tax and also why this tax is divided into two parts. The conclusion of this paper summarizes the impact of the tax reform on individuals and also there are balanced the advantages and disadvantages of this reform.