Taxation of income from employment

This diploma thesis deals with the system of taxation of income tax. First part of this work describes important terms necessary for understanding the tax system.

Systematically at first I describe the term of tax, than I describe the structural elements of tax, income tax in general and after that I can describe the taxation of income from employment.

This thesis tries to comprehensively deal with all institutes, whose knowledge is important for the right calculation of the tax and the right tax payment. Considerable space in this work dedicates to the tax base and the effective tax rate.

After describing what I have mentioned above, this thesis aims to assess the tax system and think about some other solutions. This thesis comes with a specific proposal in the area of defining the tax base.

The conclusion of this thesis is that the tax system is very complicated. If we would like to make it easier, it is necessary to ask ourselves what should be the goal of the changes. Whether the result should be the same tax revenue, covered by the system complexity, simplifying the system and lower tax revenue, or maintaining the current tax revenue and sincere effort to simplify the system.

Furthermore the thesis points out the fact, that schools should include some basic tax literacy into their curriculum. Then the tax system could stay so complicated and people would understand it better.