

Resume

Establishment and development of NGOs in the 90's of the 20th century meant the development of the civic associations as an integral part of the nonprofit sector. Civic associations are associations of citizens to use common activities and interests. These activities can be sport, culture (theater), leisure time activities (Sudoku game) or any other leisure activity. The aim of my work hasn't been focusing on the appearance and disappearance of civic associations, but my job was to describe the basic tax obligations.

Tax obligations of civic associations are derived depending on what specific activities the association is engaged. Regardless, civic associations are always tax payers of tax on corporate income (income tax of legal person). This obligation arises from the registration of civic associations on the Ministry of Interior and from any operation. The tax applies to entities based in the Czech Republic. Incomes are taxed from the resources of the Czech Republic and abroad. For sources from abroad is necessary to follow the tax laws and tax liability abroad. Foreign incomes are affected by agreements for the avoidance of double taxation. Not all income is subject to income tax of legal person, if it is labeled as income, may be exempt from the law. These incomes can be divided into income included in the tax base or taxable special tax rate. It's also necessary to keep the interpretation of the law in expenditure. The law identifies as deductible income only those that relate to the activities of civic associations. In other words, expenditure of achieving, maintaining and providing income. The difference between the determined eligible taxing incomes and expenditure is the tax base, which we will reduce the deductible items. Tax liability arises, which will reduce the tax credits and we have to pay this final amount of tax.

Among other duties, which civic associations can influence their activity, a tax on personal income. The taxpayer is always a natural person, e.g. an employee. Civic association is a contributor. In terms of civic associations, this is income from employment and functional benefits and so-called other incomes. Income from employment are typically for employees, incomes from the functional benefits to the members of statutory bodies. Other incomes are occasional incomes, such as the referees and coaches.

If the civic association will fill the statutory conditions, it becomes the payer of value added tax (VAT). If associations purchase a car, may be liable to pay road tax. And furthermore, can also become liable to pay property tax, inheritance tax and gift tax. It is always necessary to check the provisions of the law, whether civic associations meet the conditions for the taxpayer, for the subject of tax exemption and for payment of taxes from the tax base by rate.