

# SEMINAR

## INCOME TAX RETURN BY INDIVIDUALS FOR THE YEAR 2019



On Friday 17. 1. 2020, from 9:00 a.m. to 10:00 a.m.



Lecture room B06, building B, ground floor



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# Czech and international legislation

- Czech Republic Act No. 586/1992 Coll. On Income Taxes - very comprehensive <http://www.czechlegislation.com/act-no-586-1992-coll-on-income-taxes/>
- Taxable incomes are from
  - employment - Article 6 of the Act
  - independent (self-employment) activities - Article 7 of the Act
  - capital gains - Article 8 of the Act
  - rent of property - Article 9 of the Act
  - other incomes - Article 10 of the Act
- Every state wants to collect as much tax as possible
- Conventions/treaties between the Czech Republic and particular state on avoidance of double taxation, overview on <https://www.mfcr.cz/cs/legislativa/dvoji-zdaneni/prehled-platnych-smluv>

Conditions for tax residency are laid down in:

- The Article (§) 2 of the Act No. 586/1992 and
- The Article 4 of the Treaty on avoidance of double taxation

# Tax Residency of foreigners - liabilities and benefits

## Conditions for tax residency in the Czech Republic (CR)

- to stay in the CR for at least 183 days in a given calendar year
- to live here, to have an address, a working contract
- to have here a center of vital interests - a spouse, children sharing a household

## Czech tax resident

- Benefits – a resident can claim all tax reliefs and benefits in the Czech Republic
- resident is liable to individual's **worldwide income tax in the CR** according a treaty on avoidance of a double taxation between the CR and other state

## Czech tax non-resident

- A non-resident is liable to individual's incomes from the sources **of the CR ONLY**
- Benefits – a non-resident can claim **ONLY the basic tax relief** that is 2 070 CZK per month for 2019 and study benefit (up to age 28)

# Personal income tax - rate, calculation

- In the Czech Republic, the aggregate income is taxed at a flat rate **of 15 %**.
- Employment income is taxed based on a **'super gross' salary SGS**,
- SGS is calculated as gross salary increased by 33,8 % of the employer's part of the Czech obligatory social security and health insurance contributions.

Contribution for	paid by Employee	paid by Employer
Social security (SS)	6,50%	24,80%
Pension insurance	6,50%	21,5%
Sickness insurance	0,00%	2,1%
Unemployment insurance	0,00%	1,2%
Health insurance (HI)	4,50%	9,00%
<b>TOTAL</b>	<b>11,00%</b>	<b>33,80%</b>
Example		
Gross salary	Super Gross salary	Tax before reliefs
50 000 Kč	66 900,00 Kč	10 035,00 Kč
Net salary		
36 535,00 Kč	Basic monthly tax relief	2 070,00 Kč

# REQUEST for annual account of prepayments and tax benefits for tax period 2019

- You can require Personnel Department of UCT Prague to apply for your Annual account of tax prepayments and benefits at the Prague tax office, on behalf of you
- Conditions: **your incomes in 2019 were only from sources of UCT Prague (salary)**
- You have to fill in and sign the pink form „ Žádost o roční zúčtování daně„ ( Request for annual account of prepayments and tax benefits)
- You receive this form at the Personnel Department
- Until when? not later than **15.2.2020**

## **Claiming tax reliefs, benefits / allowances**

- a. If you do not claim any tax benefits then it does not matter whether you are a Czech tax resident or non-resident
- b. If you claim any tax benefits - for dependent spouse, for children, for payment at nursery, etc.. You have to be considered a Czech tax resident for 2019
- c. You have to deliver to Personnel department a Certification on your tax residency in the CR and other proofs like marriage certificate, birth certificate, etc...

The summary of 2019 tax benefits for individuals			
Tax relieves	Amount/year	Conditions	Documents required
<b>Taxpayer relief</b>	CZK 24,840	No conditions - applicable for everyone	No documents needed
<b>Spouse relief</b>	CZK 24,840	Spouse living with the taxpayer in common household	Confirmation from the spouse's employer or filled in and signed document Spouse Affidavit if the spouse is not employed
		The income of the spouse did not exceed CZK 68,000 in 2019 (excluding social security benefits, e.g. parental allowance with the exception of financial help in maternity)	
<b>Disability relief</b>	CZK 2,520	The taxpayer receives disability pension for the first or second degree of disability	General statement about receiving a disability pension* and annual confirmation about payments received
	CZK 5,040	The taxpayer receives disability pension for the third degree of disability	
<b>Relief for the holders of Card of person with disabilities (ZTP/P)</b>	CZK 16,140	Card of person with disabilities (ZTP/P)	Card of person with disabilities (ZTP/P)* which indicates the validity period
<b>Student relief</b>	CZK 4,020	Study at primary school, high school or university until the age of 26 or 28 for PhD students	Confirmation of study for the whole year
<b>Relief on placement of child to the nursery school</b>	CZK 13,350	The child is living with the taxpayer in common household	Confirmation about realized payments to the nursery school for whole year
Tax Allowance	Amount/year	Conditions	Required documents
<b>Allowance on 1st dependent child</b>	CZK 15,204	The child is living with the taxpayer in common household. It covers the taxpayer's child, a child at alternative care of taxpayer, an adopted child a child of a spouse living with the taxpayer in common household, the grandson/granddaughter living with the taxpayer in common household. If the child is a holder of ZTP, the tax allowances is doubled	Birth certificate of the child* and confirmation from the employer of the other parent that he/she does not apply tax allowance on the child. If the spouse is not employed the document Spouse and child affidavit needs to be filled in and signed. If a child is older than 18 years and is studying confirmation of study for the whole year is needed (student at university up to age of 26, PhD student up to 28 years). If a child is holder of ZTP/P card the copy of this card is needed
<b>Allowance on 2nd dependent child</b>	CZK 19,404		
<b>Allowance on 3rd and next dependent child</b>	CZK 24,204		

Tax base deductions	Amount/year	Conditions	Required documents
<b>Donation for charitable purposes including blood donation</b>	Max 15% of tax basement CZK 3,000/blood donation	At least 2% of tax basement, minimum amount is CZK 1,000(in total)	Confirmation of the gift donated (gift contract, confirmation of a recipient of a gift), confirmation about blood donation
<b>Mortgage interests</b>	Max CZK 300,000 per a household	Interest on building savings / mortgage loans or related contracts	Copy of Mortgage contract*, Confirmation of mortgage interests paid in the period, copy of Statement from real estate cadastre*
		Direct contractor	
		Ownership of an apartment, land, building, membership share in a cooperative Use for permanent housing	
<b>Life Insurance Contributions **</b>	Max CZK 24,000	Payment of insurance benefits after 60 months (5 years) and simultaneously not earlier than on 60 years of age (unless the insured amount is agreed)	Copy of Life Insurance contract* and Confirmation of life insurance paid in the period
<b>Pension Insurance Contributions**</b>	Max CZK 24,000	Payment of insurance benefits after 60 months and at the earliest in the year of reaching the age of 60 years. The tax base deduction is applicable from the amount exceeding CZK 12,000 of the contributions paid (up this amount a state subsidy is applicable)	Copy of Pension Insurance contract* and Confirmation of pension insurance paid in the period
<b>Membership fees to the union organisations</b>	1,5% of taxable income, max CZK 3,000	Membership fees which were truly paid in the period	Confirmation of membership fees paid
<b>Expenses for exams proving results of additional education according to a special law</b>	Max CZK 10,000	The payment was made by the employee, not included in the employer's costs, in accordance with the law on the recognition of the results of further education	Confirmation of expenses paid for additional education (limited use)

\*If the contributions were already deducted in the past and the related documents were provided to the Czech tax authorities we do not require these documents.

\*\*Please note that in case of pension insurance/life insurance contributions paid to insurance company seated outside the Czech Republic, all related documents need to be translated into Czech (if not issued in Czech). As tax deduction can be applied contributions paid to an organization within EU.



# Request for the certificate of the tax-payer's residence issuance

## Žádost o vydání / legalizaci potvrzení o daňovém domicilu

- <https://www.financnisprava.cz/cs/mezinarodni-spoluprace/legalizace-overovani-dokumentu>
- <https://www.financnisprava.cz/assets/en/attachments/ita-international-tax-affairs/Request for issuance of the Certificate of Tax-payers residence specimen.pdf>
- Fill in and sign form „ Žádost o vydání potvrzení o daňovém domicilu“

### Attachments:

- Copy of your Passport, Residence card
- Copy of your Accommodation contract
- Copy of your Working contract
- Certificate of taxable incomes from dependent activity for 2019 issued by UCT Prague
- Revenue stamp – KOLEK – 100 CZK buy at the post office
- Submit to the Tax office „PODATELNA“ at your place of stay

The image shows two pages of a form titled "ŽÁDOST O VYDÁNÍ / LEGALIZACI POTVRZENÍ O DAŇOVÉM DOMICILU" (REQUEST FOR THE CERTIFICATE OF THE TAX-PAYER'S RESIDENCE ISSUANCE/LEGALIZATION). The form is bilingual, with Czech text on the left and English text on the right. The English text includes fields for name and surname, date of birth, address of residence, contact information, and a declaration of tax residency. It also mentions that the certificate is issued in accordance with the international treaty on the avoidance of double taxation between the Czech Republic and the relevant state. The form is numbered "1" and includes a note about the revenue stamp (KOLEK) to be purchased at the post office.



# Proofs for Personnel Department to claim a tax reliefs, benefits

- Proof of study, PhD up to age 28
- Certificate on your Czech residency
- Marriage certificate and
- Proof that your dependent spouse does not have incomes higher than 68 000 CZK
- Declaration that your husband/wife does not claim benefit for a child
- Birth certificates of your child
- Proof on payments in the kindergarten/nursery school
- Other proofs according the benefits required
- General rule - inform Personnel Department about all changes – birth of a new child, etc..

# Filing a TAX RETURN for 2019 by yourselves

- Deadline till the 31/3/2020 but start earlier
- Submit at the tax office at the place of your stay (Prague district X)
- Fill in the forms - if simple you can ask Mrs. Mittnerova for assistance
- Attachments - *Certificate of taxable incomes from dependent activity for 2019 issued by UCT Prague*, issued by other employers, proofs according the benefits you claim
- Czech tax resident – liable to income tax from **worldwide** sources
- Czech tax non -resident - liable to tax from the sources **only** from the Czech Republic but liable to tax from worldwide sources in the state of his/her tax residency
- <https://www.czechtaxesonline.cz/> online tax advisor, price 500 Kč
- Interactive forms are available only in Czech language but translation to EN are attached
- <https://www.financnisprava.cz/cs/danove-tiskopisy/databaze-aktualnich-danovych-tiskopisu>

# Forms for Income Tax Return for 2019

Než začnete vyplňovat tiskopis, přečtěte si, prosím, pokyny.

Finanční úřadu pro / Specializovanému finančnímu úřadu

Územní pracoviště v, ve, pro

01 Daňové identifikační číslo

02 Rodné číslo

03 DAP\*)

04 Kód rozlišení typu DAP\*)

06 DAP zpracoval a předložil daňový poradce nezávislé právní osoby zastupující, která byla uplatněna u správce daně před uplynutím reproduzované lhůty\*

06a Základní povinnost ohlášení účetní závěrky sudětem\*\*

**PŘIZNÁNÍ**  
k dani z příjmů fyzických osob  
podle zákona č. 586/1992 Sb., o daních z příjmů, ve znění pozdějších předpisů (dále jen „zákon“) za zdaňovací období (kalendářní rok) \_\_\_\_\_ nebo jeho část\*) od \_\_\_\_\_ do \_\_\_\_\_ dále jen „DAP“

1. ODDÍL – Údaje o poplatníkovi

06 Příjmení 07 Rodné příjmení 08 Jméno(-s)

09 Titul 10 Státní příslušnost 11 Číslo pasu

Adresa místa pobytu v den podání DAP

12 Obec 13 Ulice / část obce 14 Číslo popisné/orientační

15 PSČ 16 Telefon / mobilní telefon 17 E-mail 18 Stát

Adresa místa pobytu k poslednímu dni kalendářního roku, za který se daň vyměřuje  
Řádky 19 až 22 vyplňte pouze v případě, že adresa k poslednímu dni kalendářního roku, za který se DAP podává, je rozdílná od adresy v den podání DAP:

19 Obec 20 Ulice / část obce 21 Číslo popisné/orientační 22 PSČ

Adresa místa pobytu na území České republiky, kde se poplatník obvykle ve zdaňovacím období zdržoval  
Řádky 23 až 26 vyplňte pouze v případě, že nemáte bydliště (trvalý pobyt) na území České republiky

23 Obec 24 Ulice / část obce 25 Číslo popisné/orientační

26 PSČ 27 Telefon / mobilní telefon 28 E-mail

29 Kód státu – vyplňte jen daňový nerezident 29a Výše ostatních příjmů K2

30 Transakce uskutečněné se zahraničními spojovacími osobami\* ano ne

29 5465 MPO 5465/001 – revize 01 21

See instruction before filling, please.

Tax Office in, at, for

Local branch in, for

01 Tax identification number

02 Personal identification number

03 Regular tax return) Corrective Tax Return Supplementary Tax Return

04 Classification code for type of tax return)

05 A tax return prepared and submitted by a Tax Advisor on the basis of a power of attorney, that had been applied at the tax office before passing of an original time limit

05a Statutory obligation to have Financial Statement verified by an auditor

Reasons for a supplementary tax return ascertained on the day

Date

**INCOME**  
Tax return by individuals  
pursuant to the Act no. 586/1992 Coll. on Income Taxes, as amended (hereinafter "Act") for the taxable period (calendar year) \_\_\_\_\_ or its part\*) from \_\_\_\_\_ to \_\_\_\_\_ (hereinafter "tax return")

Part 1 – Information about taxpayer

06 Surname 07 Family Name 08 First Name(s)

09 Title 10 Nationality 11 Passport number

Address of the place of residence at the day of filing of the tax return

12 Municipality 13 Street / part of Municipality 14 Building number / identification

15 Zipcode 16 Telephone / mobile number 17 Fax number / e-mail 18 State

Address of the place of residence at the last day of calendar year, for which tax is being ascertained  
Rows from 19 to 22 apply in cases that the address at the last day of the calendar year, for which the tax return is filed, is different from the address on the day of filing the tax return.

19 Municipality 20 Street / part of Municipality 21 Building number / identification 22 Zipcode

Address of the place of residence in the Czech Republic, where taxpayer was having habitual abode in the taxable period  
Rows from 23 to 26 only if you have not residence address in the Czech Republic.

23 Municipality 24 Street / part of Municipality 25 Building number / identification

26 Zipcode 27 Telephone / mobile number 28 Fax number / e-mail

29 Country Code - only tax non-resident filing 29a Total worldwide income CZK

30 Transactions with foreign related persons Yes No

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**CERTIFICATE**  
of the taxable incomes from dependent activity and office holder's emoluments, the withheld tax advances and tax advantage\*) pursuant to the Act no. 586/1992 Coll., on Income Taxes, as amended (hereinafter "Act") for the taxable period \_\_\_\_\_ 2014

Name of the taxpayer \_\_\_\_\_ Personal identification number\*) \_\_\_\_\_

Residence address (permanent residence) \_\_\_\_\_ Postal code \_\_\_\_\_

Taxpayer signed – did not sign\*) declaration\*) – for the taxable period\*) \_\_\_\_\_  
– for these months of the taxable period (numerical indication?) \_\_\_\_\_

1.	Total accounted incomes from dependent activity and office holder's emoluments	
2.	Incomes from row 1 paid or received (§ 5 subsection 4 of the Act)	
3.	Accounted in the months (numerical indication)	XXXXXXXXXXXXXXXXXXXXXXXXXXXX
4.	Additional payments of the incomes pursuant to § 5 subsection 4 of the Act accounted in the taxable periods 2005 to 2007	
5.	Additional payments of the incomes pursuant to § 5 subsection 4 of the Act accounted in the taxable periods 2009 to 2013	
6.	Total compulsory premium insurance from the incomes stated on row 2 (§ 6 subsection 12 of the Act*)	
7.	Total premium insurance, which was an employer obliged to pay from the incomes stated on row 6)	
8.	Tax base (row 2 + row 4 + row 5 + row 6 + row 7)	
9.	Tax advance actually withheld from incomes stated on row 2	
10.	Tax advance actually withheld from incomes stated on row 4)	
11.	Tax advance actually withheld from incomes stated on row 6)	
12.	Total tax advance on income tax (row 9 + row 10 + row 11)	
13.	Total of the monthly paid tax bonuses	
14.	Solidarity tax income at tax advances (Section 38(a) of the Act) in months*)	
15.	Basic tax relief pursuant to Section 35a subsection 1 letter a) of the Act has been granted in months*)	
16.	Children applied as maintained for the purposes of tax advantage pursuant to § 35c and § 35d of the Act	From – to _____ Name – Personal identification number _____
17.	Taxpayer's disclaimer (with SCP) applied as tax relief pursuant to § 35b subsection 1 letters c) up to e) of the Act for tax advance reduction	From – to _____ Degree of disclaimer (SDP) _____
18.	Taxpayer's voluntary proposition for future employment applied as tax relief pursuant to § 35b subsection 1 letter f) of the Act for tax advance reduction	From – to _____ School _____
19.	Annual account of the tax advances and tax advantage was – was not*) executed with the following result**)	
Tax overpayment from the annual account of the advances (§ 38(a) subsection 5 of the Act) in the amount of CZK _____		
Additional payment from the account (§ 35d subsection 8 of the Act) in the amount of CZK _____ was returned to the taxpayer on the day _____		
Amount of tax overpayment after relief is CZK _____		
Amount of additional payment on tax bonus*) (overpaid amount on tax bonus*) is CZK _____		
Total premium insurance pursuant to § 36 subsection 10 of the Act, which the non-resident of the Czech Republic***) is obliged to pay _____		

This certificate replaces the certificate issued on the day \_\_\_\_\_ Filled by: \_\_\_\_\_

Name and address of the payer: \_\_\_\_\_

Phone number: \_\_\_\_\_

On the day: \_\_\_\_\_

Tax identification number of the payer: \_\_\_\_\_

Signature and seal of the payer: \_\_\_\_\_

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# Web pages

- KPMG <https://home.kpmg/xx/en/home/insights/2014/01/czech-republic-income-tax.html>
- Act 586/1992 Coll <https://www.zakonyprolidi.cz/cs/1992-586#cast3>
- Financial Administration Czech Republic  
<https://www.financnisprava.cz/en/taxes/news/2010/aplication-of-the-provisions-of-art-36-s-3664>
- ACCACE 2019 TAX Guideline CR <https://accace.com/wp-content/uploads/2019/01/2019-Tax-Guideline-Czech-Republic-EN-compressed.pdf>
- FORMS <https://www.financnisprava.cz/cs/danove-tiskopisy/databaze-aktualnich-danovych-tiskopisu.aspx?rok=2020&tiskdruh=TDFU&dan=T WEB01>
- Přiznání k dani z příjmů / Income Tax Return form  
[https://www.financnisprava.cz/assets/tiskopisy/5405\\_25.pdf?201912252228](https://www.financnisprava.cz/assets/tiskopisy/5405_25.pdf?201912252228)
- Addresses of Financial Tax Offices
- <https://www.financnisprava.cz/cs/financni-sprava/organy-financni-spravy/financni-urady/app/urad-kontakt/2000>