

GUIDELINES

for filling out the Value Added Tax return

Where the guidelines include references to individual provisions (Sections) of the law, it concerns the Act No. 235/2004 Coll., on Value Added Tax, as amended by later regulations, provided it is not stated otherwise.

A Value Added Tax return (hereinafter referred to as "the return") is a universal form submitted by a payer (Section 6 to 6f), group (Section 5a), identified person (Section 6g to 6l) or non-payer (person who is not one of the mentioned persons).

When filling out the return each of the above mentioned persons proceeds with general and appropriate part of the guidelines for filling out the return. If this form submission requires data whose content or format is determined by another legal regulation, such data shall be provided with that content and in that format, unless otherwise specified.

State the remaining part of the official name of a Tax Office (e.g. – capital Prague, – South Bohemian Region, etc.) locally competent in the **Tax Office for / Specialized Tax Office box**. If the entity is a person selected in accordance with Section 11 Subsection 2 of the Act No. 456/2011 Coll., on the Financial Administration of the Czech Republic, as amended by later regulations (hereinafter referred to as "the Act on the Financial Administration of the Czech Republic"), the Specialized Tax Office must be stated. Enter the seat of the Territorial Branch where the file about the taxable person is or will be kept in the "Territorial Branch for/in" box (Section 13 of the Act on the Financial Administration of the Czech Republic).

General details

The signatory details must be completed only where the application is being compiled and submitted by a person other than the taxable person, i.e. this part should not be completed where the submission is made by the taxable person himself. Instructions for filling out details of the signatory are published in the Tax forms section on the website of the Financial Administration: <http://www.financnisprava.cz>.

Stamp (is only given in the paper version of this form): a stamp may be attached.

Signature of the taxable person / authorized signatory (is only given in the paper version of this form): the submission must be signed either directly by the taxable person – natural person who makes the submission himself, or by a natural person authorized to sign the submission on behalf of the taxable person – legal person. Where the application is submitted in electronic form, the signature will be replaced by the appropriate method of authorizing the submission (e.g. Citizen Identity, recognized electronic signature, etc.).

A person submitting the return fills in boxes and lines of the return tinged with white. If no figure is given on the line, then it is regarded as a transaction that was not made. The word "line" is abbreviated to "l" in the explanatory notes.

If the text "standard" is shown before the line number, taxable transactions with a standard tax rate are entered on this line. In case the text "reduced" is given here, taxable transactions with a reduced tax rate are entered on this line.

If the line instruction in the return includes more than one item (with a description of the information shown on the line), the sum of the data values pursuant to the individual items is entered on the line.

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The payer (Section 6 to 6f) completes a tax administrator locally competent, Tax Identification Number (country code "CZ" and stem code) in the relevant boxes, marks the type of the submitted return (proper or additional, possibly corrective at the same time – Section 138 of the Act No. 280/2009 Coll., the Tax Code, as amended by later regulations (hereinafter referred to as "the Tax Code"). In case of the additional tax return the payer indicates in the relevant box when the reasons for submission of this return were ascertained (Section 141 Subsection 1 of the Tax Code). If the payer is obliged to submit annexes to the return, he gives their number and total number of sheets (Section 141 Subsection 5 of the Tax Code, Section 19a, Section 19c, Section 46f Subsection 2 and 3, Section 79e Subsection 5, Section 109ba Subsection 7). He enters a period of taxation including a calendar year. If the return is submitted only for a part of the period of taxation, i.e. for example in case of insolvency proceedings (Section 244 of the Tax Code), he indicates for the period from – to. By inserting a cross in the "Taxpayer under Section 6 to 6f" box he confirms that the return is submitted by the payer.

If no information is available for Part C on page 2 of the return, the payer inserts a cross (X).

The payer completes the "Code of the period of taxation of the following year" box only in a proper return for the last period of taxation of the calendar year in the following way:

Q is stated by a payer whose period of taxation is a calendar month and who decided that his period of taxation for the respective calendar year would be a calendar quarter (Section 99a Subsection 1)

M is stated by a payer whose period of taxation is a calendar quarter and who decided that his period of taxation for the respective calendar year would be a calendar month or he no longer meets the conditions for the quarterly period of taxation under Section 99a Subsection 1.

Payers whose periods of taxation stay unchanged in the following calendar year do not insert a code of the period of taxation.

Giving the code in the return for the last period of taxation of the calendar year replaces a notification of a change of the period of taxation. If the tax return is not submitted by 31 January of the respective calendar year, the payer notifies the tax administrator of the change of the period of taxation in another way.

Further the payer gives details related to his identification. Entering the information in the "Degree" box, "Phone number" box or "E-mail" box is optional.

The payer completes a predominant economic activity in the "Main economic activity" box pursuant to transactions made for the respective period of taxation.

At the end of the first page of the return an authorized person declares correctness, completeness and truthfulness of the information given in Part A, B and C of the tax return for which he bears the full legal responsibility. The person authorized for the signature on behalf of a taxable person writes a first name and surname and what is the relationship to the taxable person if he is not himself this taxable person.

The group (Section 5a) proceeds similarly to the payer on filling out the return. By inserting a cross in the "Group" box it confirms that the return is submitted by the group.

A tax return on behalf of the group is submitted by a representing member of the group. He completes a Tax Ident. No. of the group in the "Tax Identification Number" box and further information concerning identification of the representing member of the group.

If the representing member of the group submits a return on behalf of a group member for the period of taxation preceding the group establishment or the moment when this member joined the group, he enters a Tax Ident. No. and identification data of the group member (on behalf of whom he submits the return) in the return. In this case the person authorized for the signature on behalf of the representing member of the group is the person authorized for the signature on behalf of the taxable person and in this way he completes a part in which he declares correctness, completeness and truthfulness of the information given in the whole return.

The identified person (Section 6g to 6l) proceeds similarly to the payer on filling out the return. By inserting a cross in the "Identified person" box he confirms that the return is submitted by the identified person. He does not complete the "Code of the period of taxation of the following year" box, etc.

The "Birth certificate number / Ident. No." box is not submitted by a payer, group or identified person.

A person who is not a payer, group or identified person (hereinafter referred to as "non-payer") completes the "Birth certificate number / Ident. No." box (a natural person enters the birth certificate number, a legal person enters the Ident. No.), inserts a cross in the "Non-taxpayer under Section 19b or 19c or 108" box. He does not complete a box meant for entering a Tax Ident. No., Code of the period of taxation of the following year, Main economic activity, etc. Identification data and other boxes are filled out by the non-payer similarly to the payer.

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Guidelines for a payer or group

Lines of the return tinged with dark green

Lines completed by ordinary payers (line 1 and 2 for an obligation to declare tax, line 40, 41, 46 and 47 for entitlement to tax deduction and line 62 to 65 for calculation of a tax obligation) are visually highlighted in the return form for the purpose of the facilitation of acquaintance

with the return. This facilitation is meant especially for payers who does not make exempt transactions without entitlement to tax deduction (Section 51) but they make only taxable transactions with the place of transaction in the Czech Republic and to whom goods or services are supplied by domestic persons.

Proper tax return:

The following lines are completed by a payer in accordance with records for VAT purposes (Section 100 and 100a) related to the respective period of taxation.

I. Taxable transactions

L. 1 and 2 Supply of goods or supply of services with the place of transaction in the Czech Republic

- covers data on tax base and output tax in accordance with a tax rate on realized taxable transactions with the place of transaction in the Czech Republic pursuant to Section 13 (supply of goods), Section 14 (supply of services). Further a taxable transaction under Section 4 Subsection 9 (distance sales of goods), Section 4 Subsection 10 (distance sales of imported goods) and Section 13a (supplies of goods facilitated by an electronic interface) should be given if the place of transaction is in the Czech Republic and no tax is declared in the special One Stop Shop scheme in accordance with Section 110a and following for such transactions.
- covers also received consideration preceding carrying out a taxable transaction if an obligation to declare or pay tax arised by its receipt.
- does not cover a transaction with the place of transaction in the Czech Republic for which tax is declared in the special One Stop Shop scheme (Section 110a and following).
- covers data on tax base and output tax in accordance with a tax rate on other realized taxable transactions with the place of transaction in the Czech Republic for which no separate box is given in the tax return (for example tax base and tax on the margin in accordance with Section 89, 90 and other taxable transactions).
- correction of tax base and tax amount with a negative sign is given by a creditor in respect of an irrecoverable receivable pursuant to Section 46 and following. With a positive sign where it is necessary to increase tax base because of other corrections. Correction under Section 46fa is given at the same time on line 14. In case of the procedure under Section 46fa see also guidelines for an additional tax return.
- correction of tax base and tax amount is given pursuant to Section 42, 42a (correction of tax base and tax amount pursuant to Section 42a is given also on line 14) and 43.

L. 3 and 4 Acquisition of goods from another Member State

- covers data on tax base and output tax in accordance with a tax rate on an acquisition of goods from another Member State in accordance with Section 16. Data on tax base and output tax on relocation of goods from another Member State pursuant to Section 16 Subsection 4 are also given on this line.
- covers data on tax base and output tax on an acquisition of goods from an intermediary by a purchaser who is obliged to declare tax pursuant to Section 108 Subsection 4 Paragraph b).
- covers data on tax base and output tax on an acquisition of a new means of transport in accordance with Section 19 Subsection 1 by a payer or identified person **from a person pursuant to Section 16 Subsection 2**.

L. 5 a 6 Receipt of services with the place of transaction in accordance with Section 9 Subsection 1 from a person registered for tax in another Member State

- covers data on tax base and output tax in accordance with a tax rate on services received (or on provided consideration (advance) – Section 24) from a person registered for tax in another Member State with the place of transaction in the Czech Republic under Section 9 Subsection 1 if an obligation to declare or pay tax arised by their receipt pursuant to Section 108 Subsection 3 Paragraph a).

L. 7 and 8 Imports of goods (Section 23)

- covers data on tax base and output tax in accordance with a tax rate on imported goods (Section 23).

L. 9 Acquisition of a new means of transport

- covers data on tax base and output tax on an acquisition of a new means of transport in accordance with Section 19c by a payer or identified person from a person other than the person under Section 16 Subsection 2. At the same time, a Statement on the acquisition of the new means of transport is submitted together with a copy of the tax document or document of the sale of the new means of transport.

L. 10 and 11 Reverse charge scheme (Section 92a) – customer of goods or recipient of services

- data on tax base and output tax are shown by a payer who is a recipient of the taxable transaction in this scheme.

L. 12 and 13 Other taxable transactions with an obligation to declare tax on their receipt

- covers data on tax base and output tax on other transactions carried out by a **person not established in the Czech Republic** with the place of transaction in this country if an obligation to declare or pay tax arised pursuant to Section 108 by their receipt or provision of consideration (advance). For example:
 - services under Section 10 to 10d,
 - goods with installation or assembly in accordance with Section 7 Subsection 6,
 - gas, electricity, heat or cold in accordance with Section 7a Subsection 1 or 3,
 - goods from a person not established in the Czech Republic in accordance with Section 24, or Section 108 Subsection 3 Paragraph b).

L. 14 Correction of tax base by a taxable person who ceased to be a payer or identified person

- covers data on tax base and total tax amount regardless of the tax rate in case of correction under Section 42a and data on tax base and total tax amount regardless of the tax rate in case of correction made by a creditor under Section 46fa.

II. Other transactions and transactions with the place of transaction outside the Czech Republic with entitlement to tax deduction

L. 20 Supply of goods to another Member State

- covers data on a transaction amount on a supply of goods to another Member State in accordance with Section 64 (supply of goods to another Member State to a person registered for tax and relocation of business property in accordance with Section 64 Subsection 3).
- data on a transaction amount on a supply of goods from the Czech Republic to another Member State in triangular transactions under Section 17 are given by a seller pursuant to Section 17 Subsection 2.
- covers data on a transaction amount on a supply of a new means of transport in accordance with Section 64 Subsection 1 to another Member State to a person **registered** for tax in this Member State (supply of a new means of transport to another Member State to a person who did not notify the payer of his tax identification number for the purposes of value added tax is not shown on this line but it is shown on line 23). The transaction amount given on line 20 must be declared in a recapitulative statement with code 0 and 1.

L. 21 Supply of services with the place of transaction in another Member State specified in Section 102 Subsection 1 Paragraph d) and Subsection 3 Paragraph a)

- covers data on a transaction amount on a supply of services with the place of transaction in another Member State pursuant to Section 9 Subsection 1, with the exception of services, which is exempt from tax in another Member State, to a person registered for tax in another Member State if a recipient of the services is obliged to declare and pay tax, or data on a consideration amount received before providing these services if these services were known to a sufficiently definite degree on the day of the receipt of the consideration. The transaction amount shown on line 21 is declared in a recapitulative statement with code 3. In respect of an identified person to whom an obligation to submit a return does not arise in accordance with Section 101 Subsection 5, this person is still obliged to submit a recapitulative statement.

L. 22 Exports of goods

- covers data on a transaction amount on exports in accordance with Section 66.

L. 23 Supply of a new means of transport to another Member State

- a payer states data on a transaction amount on a supply of a new means of transport to another Member State pursuant to Section 19a to a person who did not notify the payer of his tax identification number for the purposes of value added tax. A payer is obliged to attach a statement on the supply of the new means of transport to another Member State and a copy of the tax document to a tax return. An identified person states data on a transaction amount on a supply of a new means of transport to another Member State pursuant to Section 19b Subsection 3. An identified person is obliged to submit a tax return, to which a statement on the supply of the new means of transport is attached, within 10 days from the day of delivery of the new means of transport. The data on a transaction amount are not included in a recapitulative statement.

L. 24 Selected transactions (Section 110b Subsection 2)

- covers an amount of the following performed selected transactions with entitlement to tax deduction to which the special One Stop Shop

scheme is applied, or to which this scheme could be applied, if a person carrying out the selected transactions was registered in this scheme, apart from selected taxable transactions given on line 1 and 2:

- supplies of services to a non-taxable person with the place of transaction in a Member State other than the Member State in which a person carrying out the selected transactions has his registered office or establishment;
- distance sales of goods with the place of transaction pursuant to Section 8 Subsection 1;
- supplies of goods by an electronic interface pursuant to Section 13a Subsection 2 Paragraph b);
- distance sales of imported goods with the place of transaction pursuant to Section 8a.

L. 25 Reverse charge scheme (Section 92a) - supplier of goods or supplier of services

- a payer who carried out a taxable transaction in this scheme gives data on its amount.

L. 26 Other transactions made with entitlement to tax deduction

- covers data on an amount of all other transactions with entitlement to tax deduction not included in the preceding lines of the return, or on line 31. Or receipt of consideration preceding carrying out the transaction is shown. For example:
 - A supply of services with the place of transaction outside the Czech Republic (Section 24a), apart from transactions declared on line 21 and 24.
 - Supply of goods with installation or assembly, supply of gas, electricity, heat or cold through systems or networks with the place of transaction outside the Czech Republic.
 - Carrying out an exempt transaction in accordance with Section 67, 68, 69, 70, 71h, 71i.
 - An amount for transactions carried out under the special scheme for travel services (Section 89) or for traders in second-hand goods, works of art, collectors' items and antiques (Section 90), reduced by the margin.
 - Special scheme for investment gold in accordance with Section 92 Subsection 7 and 8.
 - Supply of goods with the place of transaction outside the Czech Republic (Section 24a), etc.

III. Additional information

L. 30 and 31 Intermediary in triangular transactions under Section 17

- covers data on an amount of goods acquired from another Member State, or amount of goods supplied to another Member State by an intermediary on triangular transactions in accordance with Section 17. The transaction amount given on line 31 must be declared in a recapitulative statement with code 2. In respect of an identified person to whom an obligation to submit a return does not arise in accordance with Section 101 Subsection 5, this person is still obliged to submit a recapitulative statement.

L. 32 Imports of goods exempt under Section 71g

- covers data on an amount of imported goods which are transported from the third country where their dispatch or transport ends in another Member State and the delivery of such goods to another Member State is exempt from tax.

L. 33 and 34 Correction of tax and correction of tax deduction in respect of an irrecoverable receivable or overdue receivable (Section 46 and following, or 74b)

- correction of a tax amount with a positive sign is given by a creditor in respect of an irrecoverable receivable pursuant to Section 46 and following, with a negative sign where it is necessary to increase tax base because of other corrections. Correction of an amount of tax deduction with a positive sign is given by a debtor, who applied tax deduction from the initial taxable transaction, in respect of an irrecoverable receivable in accordance with Section 74b Subsection 1 and 3, with a negative sign in case of the procedure in accordance with Section 74b Subsection 2 and 4.

IV. Entitlement to tax deduction

The Tax base column should cover the sum of tax bases with the full and reduced entitlement to deduction (Section 72 Subsection 8 and 9) on received taxable transactions with the place of transaction in the Czech Republic. If a payer uses the received taxable transaction both for the purpose of carrying out his transactions and for other purposes, he gives the tax deduction only in the proportionate amount corresponding to the extent of use for the purposes of the transactions carried out by him (Section 75) in section IV.

Transactions on which a payer is not entitled to tax deduction are not included in the return.

On line 40 to 47 the "Full entitlement" column should cover input tax with full entitlement to tax deduction, **or entitlement to tax deduction in the proportionate amount in accordance with Section 75**, and the "Reduced entitlement" column should cover input tax with an obligation to reduce entitlement to tax deduction in the way stated in Section 76.

L. 40 and 41 From received taxable transactions from payers

- covers data on tax base and input tax which is included in an amount for received taxable transactions or in consideration provided before carrying out the taxable transaction if an obligation to declare and pay tax arises by its receipt. In the case of an acquisition of a selected passenger car under Section 72 Subsection 3 and 4 tax base in the full amount is given although input tax is limited to the amount of CZK 420 000.
- covers correction of tax deduction under Section 74 a § 74a (correction under Section 74a is given also on line 48).
- correction of an amount of tax deduction (tax base and tax) with a negative sign is given by a debtor in respect of an irrecoverable receivable pursuant to Section 74b Subsection 1 and 3. With a positive sign in case of the procedure under Section 74b Subsection 2 and 4.

L. 42 On imports of goods when the tax administrator is a customs office

- covers data on tax base and input tax on imports of goods when the tax administrator is a customs office on imports of goods.

L. 43 and 44 From taxable transactions shown on lines 3 to 13

- covers data on tax base and input tax on received taxable transactions shown on line 3 to 13 in the return when a recipient of these taxable transactions is obliged to declare tax. In the case of an acquisition of a selected passenger car under Section 72 Subsection 3 and 4 tax base in the full amount is given although input tax is limited to the amount of CZK 420 000.

L. 45 Correction of tax deductions pursuant to Section 75, 77, 77a, 79 to 79e

- covers correction of the proportionate entitlement to tax deduction under Section 75 in the tax return for the last period of taxation of the calendar year. A payer is entitled to tax deduction only in the proportionate amount corresponding to the extent of use for the purposes of the transactions carried out by him.
- covers an amount of tax deduction settlement pursuant to Section 77, for a period of taxation in which business property was used and the facts constituting the obligation or opportunity to make the settlement arose.
- covers an amount of reduction of tax deduction on a selected passenger car under Section 77a, for the period of taxation in which the car became a fixed asset.
- covers data on tax deduction on registration and cancellation of registration pursuant to Section 79 to 79c and 79e. In respect of entitlement to tax deduction on registration this data is shown with a positive sign in the return for the period of taxation in which the day occurs when a taxable person became the payer. In respect of reduction of tax deduction on registration cancellation this data is shown with a negative sign in the return for the last period of taxation of registration.
- covers data on tax deduction in the case of assets passed or transferred on the transformation of a legal person acquired from a taxable person who was not a payer, in accordance with Section 79 Subsection 5, for the period of taxation in which the day of registration of this transformation in a public register falls.
- in case of the procedure pursuant to Section 79d or 79e see also guidelines for an additional tax return.
- a taxable person, who ceased to be a payer and corrected tax deduction under Section 74a, shall state in an additional tax return for the last period of taxation of registration an amount of the correction of reduction of the applied tax deduction which he was obliged to make on cancellation of his registration as a payer.

L. 46 Total tax deduction

- is the sum of lines 40 to 45 in the "Full entitlement" column and lines 40 to 45 in the "Reduced entitlement" column.

L. 47 Amount of acquired assets specified in Section 4 Subsection 4 Paragraph c)

- covers data on tax base and input tax on assets acquired or created by one's own activity specified in Section 4 Subsection 4 Paragraph c), at the same time, in the tax return for the period of taxation in which they were transferred for use, or for the first period of taxation of registration. There are not included advances or received partial transactions on acquiring assets by one's own activity. If tax deduction is entitled in the proportionate amount under Section 75, it is also shown in the proportionate amount here. In the case of an acquisition of a selected passenger car under Section 72 Subsection 3 and 4 tax base in the full amount is given although input tax is limited to the amount of CZK 420 000.

L. 48 Correction of tax deductions pursuant to Section 74a

- covers correction of tax base and tax deduction in an additional tax return for the last period of taxation of registration pursuant to Section 74a.

V. Reduction of entitlement to tax deduction

L. 50 Transactions exempt from tax without entitlement to tax deduction

- covers the sum of amounts without tax for all performed transactions exempt from tax pursuant to Section 51 without entitlement to tax deduction, including transactions exempt from tax without entitlement to tax deduction with the place of transaction outside the Czech Republic.
- covers the sum of amounts without tax for all other performed transactions exempt from tax without entitlement to tax deduction (for example the special scheme for investment gold under Section 92 Subsection 2 and 3).
- covers the sum of amounts without tax for transactions performed in the scheme for Small Enterprises in other Member States.
- a payer who was in the scheme for Small Enterprises immediately before becoming a payer shall state in the return for the period of taxation to which the day on which he became a payer falls amounts of supplies pursuant to Section 76 Subsection 1 Paragraph b), which he made in the calendar year in which he was registered as a payer (Section 79 Subsection 7).

The obligation to declare the carrying out of these transactions arises on the day when they are carried out or on the day of the receipt of the consideration, whichever comes sooner.

L. 51 Amount of transactions not included in the coefficient calculation

- covers the sum of amounts without tax for performed transactions with entitlement to tax deduction shown on line 1 and 2 (the "Tax base" column) and line 20 to 26 (the "Amount" column) in the "With entitlement to deduction" column, which are not included in the coefficient under Section 76 Subsection 4.
- covers the sum of amounts without tax for performed transactions exempt from tax without entitlement to tax deduction shown on line 50 in the "Without entitlement to deduction" column, which are not included in the coefficient calculation under Section 76 Subsection 4.
- the calculation of the coefficient in accordance with Section 76 Subsection 4 shall also not include amounts of transactions under Section 76 Subsection 1 Paragraph b) which a payer, who was in the scheme for Small Enterprises immediately before becoming a payer, made in the calendar year in which he was registered as a payer, shown on line 50.

L. 52 A part of the tax deduction in a reduced amount

- covers the coefficient calculated from data for the period of taxation of the preceding calendar year (**in a percentage**) on settlement of tax deduction in accordance with Section 76 Subsection 6 in the "Coefficient (%)" column. If there are no transactions for the coefficient calculation for the preceding calendar year, the amount of this coefficient is determined by a payer by a qualified estimate.
- covers the calculated part of entitlement to tax deduction in a reduced amount pursuant to Section 76 Subsection 1 in the "Deduction" column. It is calculated as the product of line 46 – the right column "Reduced entitlement" and coefficient on line 52 – the left column "Coefficient (%)". The reduction of tax deduction is made in the periods of taxation of the current calendar year including the last period of taxation of this year.

L. 53 Settlement of tax deduction (Section 76 Subsection 7 to 10)

- covers an amount of the settlement coefficient pursuant to Section 76 Subsection 7 in the "Settlement coefficient (%)" column. The settlement coefficient is calculated pursuant to Section 76 Subsection 3 as a **percentage** ratio in which the numerator = line 1 and 2 (the left column "Tax base") – line 14 (the left column "Tax base") + line 20 to 26 (the "Amount" column) + line 31 – line 51 (the "With entitlement to deduction" column) and the denominator = numerator + line 50 – line 51 (the "Without entitlement to deduction" column). The amounts are calculated from data for the whole period under settlement.
- covers settlement of tax deduction pursuant to Section 76 Subsection 7 and 8 in the "Deduction change" column. Settlement is calculated as the difference between the total entitlement to tax deduction in a reduced amount calculated from data for the period under settlement and the sum of claimed entitlement to tax deduction in a reduced amount in the individual periods of taxation included in settlement on line 52 (the right column "Deduction"). Entitlement to tax deduction for the period under settlement is calculated as the product of line 46 (the right column "Reduced deduction") from amounts for the whole period under settlement and the settlement coefficient on line 53 (the left column "Settlement coefficient").

If a payer applied tax deduction from the consideration (advance) provided in connection with the acquisition of fixed assets in a year other than the year in which he acquired these assets, or in which the payer is entitled to claim tax deduction, if he is entitled to claim tax deduction no earlier than in the calendar year following the calendar year of acquisition, he includes, in the settlement amount, the difference amounting to the entitlement to tax deduction arising from the difference, if any, between the values of settlement coefficients for the respective years. The payer also proceeds accordingly in the event of applying tax deduction for each individual received transaction that became a part of the acquired fixed assets (Section 76 Subsection 10).

Settlement of tax deduction is shown in the return for the last period of taxation of the calendar year, or for the last period of taxation before cancellation of registration for tax. The mentioned amount can be shown with a positive or negative sign.

VI. Tax calculation

L. 60 Adjustment of tax deduction (Section 78 and following)

- covers the sum of calculated amounts of adjustments of tax deduction in accordance with Section 78 and following. The tax deduction adjustment is shown in the tax return for the last period of taxation of the calendar year, apart from one-off adjustments pursuant to Section 78d, 78da and 78e when the deduction adjustment is made in the respective period of taxation. The mentioned amount can be shown with a positive or negative sign.

L. 61 Tax refund

- covers an amount of really refunded tax to natural persons from third countries when exporting goods pursuant to Section 84.

L. 62 Output tax

- covers a total line of output tax of concretely mentioned lines of the return and tax under Section 108 not specified elsewhere.
(line 62 = 1 + 2 + 3 + 4 + 5 + 6 + 7 + 8 + 9 + 10 + 11 + 12 + 13 – 61 + tax pursuant to Section 108 Subsection 4 Paragraph g) and h).

L. 63 Tax deduction

- covers a total line on which tax deduction applied in a period of taxation, or reduced tax deduction pursuant to Section 76, is shown. (line 63 = 46 Full entitlement + 52 Deduction + 53 Deduction change + 60)

L. 64 Tax

- covers a difference line of output tax and tax deduction (line 62 – line 63) in case the output tax exceeds the tax deduction.

L. 65 Excessive deduction

- covers a difference line of tax deduction and output tax (line 63 – line 62) in case the tax deduction exceeds the output tax.

L. 66 Difference against the last known tax on the submission of an additional tax return (62 – 63)

- should be completed only on submission of an additional tax return (positive or negative amount).

Additional tax return:

An additional return is submitted separately only for one period of taxation by the end of the month following the month in which the reason for the submission was found out in accordance with Section 141 Subsection 1 of the Tax Code. A payer is obliged to file an additional return if he finds out that tax is to be higher.

A payer may, under circumstances specified in Section 141 Subsection 2 and 3 of the Tax Code, file an additional return for tax lower than the last known tax, or based on Section 141 Subsection 4 of the Tax Code an additional return that does not change the last known tax but only the data formerly stated (in these two cases the payer gives reasons for its submission in the annexe pursuant to Section 141 Subsection 5 of the Tax Code).

The additional return should be filed on the same form as a proper return on which it is marked on page 1 that it concerns an additional return and the day on which the facts constituting the obligation or opportunity to file an additional return were found out.

In the additional return there are shown only differences from data on the basis of which the last known tax of the respective period of taxation was assessed.

Line 66 covers the difference against the last known tax. In respect of a positive amount a payer is obliged to pay it in an additional term for payment pursuant to Section 141 Subsection 7 of the Tax Code. In respect of a negative amount a payer may file a request for a refund of a possible overpayment pursuant to Section 155 of the Tax Code.

In case a payer is obliged to **reduce tax deduction** pursuant to Section 76 he proceeds further in the following way:

L. 52 Calculated part of the tax deduction in a reduced amount

- covers the respective coefficient in the left column "Coefficient (%)".
- covers the calculated part of the tax deduction in a reduced amount pursuant to Section 76 Subsection 1 in the right column "Deduction". It is calculated as the product of line 46 – the "Reduced entitlement" column and coefficient (the left column "Coefficient (%)").
 - In case of correction of received or performed transactions for a period of taxation of the year which has not been settled yet reduction of the tax deduction is made by the coefficient under Section 76 Subsection 6 (it is shown in the left column "Coefficient (%)").
 - In case of correction of only received taxable transactions for a period of taxation of the year already settled the last calculated settlement coefficient is used for the reduction of the tax deduction (it is shown in the left column "Coefficient (%)").
 - In case of correction of performed transactions for some of the periods of taxation of the year already settled the amount of the entitlement to tax deduction in a reduced amount is calculated by a new settlement coefficient calculated from data for the whole settlement period reflecting all corrections pursuant to Section 76 Subsection 9 (it is shown in the left column "Coefficient (%)").

L. 53 Settlement of tax deduction

- covers reflecting all corrections in accordance with Section 76 Subsection 9.

In case of the procedure under Section 79d or § 79e a person mentioned there may claim tax deduction by filing an additional tax return for the period of taxation in which registration was cancelled (for Section 79e including an obligatory annexe under Subsection 5), where lines 45, 46, 63 and 66 are completed. There should be also given reasons for submission of this additional tax return in the annexe pursuant to Section 141 Subsection 5 of the Tax Code.

A taxable person, who ceased to be a payer, shall state correction of tax deduction under Section 74a Subsection 1 in an additional tax return for the last period of taxation of registration (on line 40 and 41), by the end of the calendar month following the calendar month in which the conditions for the correction of tax deduction are met. At the same time, this person is obliged to correct reduction of the applied tax deduction which he was obliged to make on cancellation of his registration as a payer (on line 45).

Correction of tax base by a taxable person who ceased to be a payer or identified person under Section 42a Subsection 1 is given in an additional tax return for the last period of taxation of registration, by the end of the calendar month following the calendar month in accordance with Section 42a Subsection 2. Correction of tax base under Section 42a Subsection 1 is not included in the coefficient calculation in accordance with Section 76 Subsection 2.

Correction of tax base in respect of an irrecoverable receivable if a creditor ceased to be a payer under Section 46fa is given in an additional tax return for the last period of taxation of registration, by the end of the calendar month following the calendar month in which correction, change in the amount of correction or cancellation of correction are deemed to have been carried out. Correction of tax base under Section 46fa is not included in the coefficient calculation in accordance with Section 76 Subsection 2.

Corrective tax return:

Prior to the expiry of the term for filing the tax return, a taxable person may replace the tax return that has already been filed by a corrective tax return (he ticks the "proper" box and the "corrective" box at the same time). Such a corrective tax return shall be used further in the proceedings, and the preceding tax return shall not be considered. This way, it is also possible to replace additional tax returns (the "additional" box and the "corrective" box should be ticked at the same time) or corrective returns that have already been filed (Section 138 of the Tax Code).

Guidelines for an identified person

An identified person (Section 6g to 6l) is obliged to file a return within 25 days from the expiry of the period of taxation (calendar month) in which he became obliged to declare tax. The tax is also due within such period. On a supply of a new means of transport to another Member State pursuant to Section 19a Subsection 3 an identified person is obliged to submit a tax return, to which a statement on the supply of the new means of transport is attached, within 10 days from the day of delivery of the new means of transport. The identified person proceeds similarly to the payer on filling out the return (proper, or corrective or additional). If the identified person supplies services with the place of transaction in another Member State, specified in Section 102 Subsection 3 Paragraph a), or supplies goods to another Member State as an intermediary on triangular transactions under Section 17, he is obliged to file a recapitulative statement although he does not become obliged to file a return in accordance with Section 101 Subsection 5.

Guidelines for a non-payer

(person who is not a payer, group or an identified person)

This form should be used by a non-payer only in case he became obliged to declare or pay tax or if he became entitled to tax deduction.

1. A non-payer who acquired a new means of transport from another Member State in the Czech Republic pursuant to Section 19c Subsection 3 completes line 64 in part C in section VI – Calculation of a tax obligation. The tax is calculated from the tax base in the manner under Section 37 Subsection 1.

The completed return should be submitted by the non-payer to the respective tax administrator within 10 days from the day of acquisition of the new means of transport and at the same time, a copy of the tax document or document of the sale of the new means of transport and statement on the acquisition of the new means of transport shall be submitted; this term may not be extended.

The tax should be paid by the person to the locally competent tax administrator within 25 days from the day when the tax was assessed by the tax administrator.

Before this day the person is entitled to pay an advance in the amount of the tax on the acquisition of the new means of transport in accordance with Section 19c Subsection 4.

2. A non-payer who delivered a new means of transport that is relocated to another Member State in accordance with Section 19b Subsection 1 and 2 should submit a return with a statement on the delivery of the new means of transport to which he attaches a copy of the tax document or document of the purchase of the new means of transport and document of the sale of the new means of transport and completes line 65 in part C in section VI – Calculation of a tax obligation only in case he claims entitlement to deduction of tax paid in the agreed price when acquiring the new means of transport or in the event of import or acquisition from another Member State, up to the amount of the tax which would have to be paid by a payer if the delivery was a taxable transaction in the Czech Republic.

The completed return should be submitted by the non-payer to the respective tax administrator within 10 days from the day of supply of the new means of transport to another Member State; this term may not be extended. If the person fails to claim his entitlement to tax deduction in such tax return or fails to provide information that is requested by the tax administrator and that is necessary for correctly setting the entitlement to tax deduction, the person's entitlement shall expire.

3. A non-payer who issued a document under Section 108 Subsection 4 Paragraph g) completes line 62 and 64 in part C in section VI – Calculation of a tax obligation where he gives the tax obligation he incurred. He is obliged to file the return within 25 days from the expiry of the calendar month in which he issued the document on which he showed the tax. The tax is also due within such period.

4. A non-payer – person registered for tax in another Member State, who acquired goods with the place of transaction in the Czech Republic from a payer, if the goods were not transported or dispatched by this person to another Member State in accordance with Section 108 Subsection 4 Paragraph h), completes line 62 and 64 in part C in section VI – Calculation of a tax obligation where he gives the tax obligation he incurred. This person is obliged to file the return within 25 days from the expiry of the calendar month in which the payer declared the exempt supply of goods to another Member State. The tax is also due within such period.

A person who acquires a new means of transport from another Member State, which will be registered in a register of road vehicles, may, before filing a tax return, file a statement on the acquisition of the new means of transport and pay an advance in the amount of the tax on the acquisition of the new means of transport. If requested by the acquirer, the tax administrator shall confirm payment of the advance. For the purpose of issuing a confirmation of the tax payment the advance is considered to be paid by a payer if conditions under Section 19c Subsection 5 are met.