

INSTRUCTIONS

for filling out corporate income tax return by the Recipients of Investment Incentives and for filling out the Separate Attachment to Row 5 of Table H of Attachment no. 1 to Part II of corporate income tax return

Generally

Recipients of covenants for Investment Incentives will indicate the appropriate specific type of taxpayer that they are, in the tax return classification code (first space from the left in Item 03 on the title page of the Form). This may be;

- 8 – Recipients of Investment Incentives in the taxation sphere pursuant to a Government Resolution,
- 9 – Recipients of Investment Incentives claiming Relief pursuant to Section 35a of the Act on Income Tax, or
- 0 – Recipients of Investment Incentives claiming Relief pursuant to Section 35b of the Act on Income Tax

The recipients of covenants for investment incentives in the taxation sphere passed by the relevant Resolution of the Government of the Czech Republic, will indicate themselves as Type 8 for the last time in a tax return for the taxable period in which the time limit for expending the provided special purposes subsidy for the acquisition of tangible and intangible assets, or possibly for the acquisition of services and other deliveries (with the exception of supplies) connected with the performance of the business entity, expires. When cancelling the investment advantages by reason of violation of the obligations stipulated in the Statement of Joint Intent, the specific type 8 of a taxpayer will be shown in the tax return for the taxable period, in which the granted amounts were returned or the owing amounts that arose through credit against the legal obligation to pay, are paid.

The recipients of covenants for investment incentives claiming relief pursuant to Section 35a of the Act on Income Tax (specific type 9 taxpayer) or Section 35b) of the Act on Income Tax (specific type 0 taxpayer) will begin to show the relevant specific type of taxpayer beginning with the taxable period in which the Decision on the Covenant for Investment Incentives pursuant to Article 5, subsections 4 and 5 of Act no. 72/2000 Coll., on Investment Incentives and amendments to some Acts, as amended, (hereinafter, "Act on Investment Incentives" or "THE AI") is issued.

The information on the specific type 9 taxpayer will be indicated for the last time in the tax return for the taxable period in which the time limit for assessing the tax pursuant to Section 38r, subsection 1, of the Act on Income Tax or in the taxable period, in which the entitlement to tax relief pursuant to Section 35a, subsection 6 of the Act on Income Tax, terminated or for the taxable period in which the validity of the Decision on the Covenant for Investment Incentives (Section 5, subsection 6 of the Act on investment incentives), ran out. The specific symbol for the type 9 taxpayer will also be indicated on the possible supplementary tax return pursuant to Section 35a, subsection 6 of the Income Tax Act.

The information on the specific type 0 taxpayer will be indicated for the last time in the tax return for the taxable period in which the time-limit for assessing the tax pursuant to Section 38r, subsection 1, of the Act on Income Tax or in the taxable period, in which the entitlement to tax relief pursuant to Section 35b, subsection 7 of the Act on Income Tax, terminated or for the taxable period in which the validity of the Decision on the Covenant for Investment Incentives (Section 5, subsection 6 of the Act on investment incentives), ran out. The specific symbol for the type 0 taxpayer will also be indicated on the possible supplementary tax return pursuant to Section 35b, subsection 7 of the Income Tax Act.

Separate Attachment to Row 5 Table H of Attachment no. 1 to Part II of the Corporate Income Tax Return

This separate attachment is only filled out by the following type of taxpayers

- 9 – Recipient of Investment Incentives claiming Relief pursuant to Section 35a of the Act on Income Tax, or
- 0 – Recipient of Investment Incentives claiming Relief pursuant to Section 35b of the Act on Income Tax beginning in the taxable period in which it is possible to claim the relief for the first time (Section 35a, subsection 3 or Section 35b, subsection 4, of the Act on Income Tax.)

The procedure in the calculation of the amounts of the stated relief and their claiming is given by the arrangement and actual meaning of the relevant rows and columns of the printed form. A taxpayer, to whom more than one investment incentive covenant has been provided, may only claim the tax relief for the taxable period on one of these covenants. If he claims the tax relief on a covenant that is provided later, he cannot, in all the following taxable periods, claim a tax relief for an earlier covenant (Section 35a, subsection 2, letter f and Section 35b, subsection 6, of the Act).

When determining the upper limit of the total tax relief from the beginning of the time that it is possible to claim them (Article 35a, subsection 3 or Article 35b, subsection 4, of the Act on Income Tax), proceed according to the computation that comes from the actual meaning of the rows on the relevant Table on the following page.

Calculation of the non-exceedable limit of the total tax relief for the expired period of time pursuant to Section 35a, subsection 3, or Section 35b, subsection 4, of the Income Tax Act (hereinafter "considered period").

I. In the system valid to 30 April, 2004

a) Starting out conditions stipulated by a Decision by the Office for the Protection of Corporate Competition

Row	Indicator	Taxpayer
1	Volume of expenses suitable for granted support, relating to the investment project, stipulated by a Decision of the Office for the Protection of Corporate Competition pursuant to Section 6, subsection 3, Act no. 59/2000 Coll., on Public Support (in whole CZK)	
2	Level of public support stipulated by a Decision of the Office for the Protection of Corporate Competition pursuant to Section 6, subsection 3, Act no. 59/2000 Coll., on Public Support (in %)	
3	Maximum total value of public support stipulated by a Decision of the Office for the Protection of Corporate Competition pursuant to Section 6, subsection 3, Act no. 59/2000 Coll., on Public Support (in whole CZK) $\frac{\text{row 1} \times \text{row 2}}{100}$	

b) Drawing of individual types of public support from the commencement of the running of a particular time-limit pursuant to Section 5, subsection 5 of the Act on Investment Incentives (All)

4	Total volume of investments into suitable expenses defined by a Decision of the Office for the Protection of Corporate Competition pursuant to Section 6, subsection 3, Act no. 59/2000 Coll., on public support, actually expended by the end of the considered period, to a maximum of the amount on row 1 (in whole CZK)	
5	The maximum total value of public support stipulated by a Decision of the Office for the Protection of Corporate Competition pursuant to Section 6, subsection 3, Act no. 59/2000 Coll., on public support, claimable till the end of the considered period, (in whole CZK)	row 4 x row 2 100
6	Actual amount of benefit in the transfer of the technically equipped site for an advantageous price (Section 1, subsection 2, letter b) of the All or in the transfer of land (Section 1, subsection 2, letter e) of the All) corresponding to the difference between the price stipulated pursuant to Act no. 151/1997 Coll., on Property Valuation, as amended, and the price actually paid to the end of the considered period (in whole CZK)	
7	Actual drawing of tangible support for the creation of new jobs (Section 1, subsection 2, letter c) of the All) to the end of the considered period (in whole CZK)	
8	Actual drawing of tangible support for re-qualification (Section 1, subsection 2, letter c) of the All) to the end of the considered period (in whole CZK) if it must be included in the total amount of public support due to a Decision by the Office for the Protection of Corporate Competition	
9	Non-exceedable summary of tax reliefs (Section 1, subsection 2, letter a) of THE All) to the end of the considered period, stipulated pursuant to Section 35a, subsection 4 or Section 35b, subsection 5, of the Act on income taxes (rows 5 - 6 - 7 - 8) > 0)*	

*) The amount on row 9 is carried over to column 2, row 1 of the Table "Claiming reliefs pursuant to Section 35a, subsection 4 of the Act" or "Claiming relief pursuant to Section 35b, subsection 5, of the Act" which is a part of the "Separate Attachment to row 5, Table H of Attachment no. 1 to Part II" of the corporate income tax return form.

II. In the system valid from 1st May 2004

a) Starting out conditions stipulated by a Decision of the Ministry of Industry and Trade

Row	Indicator	Taxpayer
1	Expenses that may be assisted (Section 3, subsection 2, letter c) In conjunction with Section 6a, subsection 1, of the All (in whole CZK)	
2	Acceptable level of public support pursuant to Section 5, subsection 4, letter d) In conjunction with Section 6, subsection 1, of the All (in %)	
3	Acceptable value of public support pursuant to Section 6, subsection 2 of the All (in whole CZK)	row 1 x row 2 100

b) Drawing of individual types of public support from the commencement of the running of a particular time-limit pursuant to Section 5 subsection 5 of the Act on Investment Incentives

4	Total volume of investments into suitable expenses, actually expended by the end of the considered period, up to a maximum of the amount on row 1 (in whole CZK)	
5	Maximum acceptable value of public support claimable to the end of the considered period (in whole CZK)	row 4 x row 2 100
6	Actual amount of benefit in the transfer of the technically equipped site for an advantageous price (Section 1, subsection 2, letter b) of the All or in the transfer of land (Section 1, subsection 2, letter e) of the All) corresponding to the difference between the price stipulated pursuant to Act no. 151/1997 Coll., on Property Valuation, as amended, and the price actually paid to the end of the considered period (in whole CZK)	
7	Actual drawing of tangible support for the creation of new jobs (Section 1, subsection 2, letter c) of the All) end of the considered period (in whole CZK)	
8	Non-exceedable summary of tax reliefs (Section 1, subsection 1, letter a) of the All) to the end of the considered period, stipulated pursuant to Section 35a, subsection 4 or Section 35b, subsection 5, of the Income Tax Act (rows 5 - 6 - 7) > 0)*	

*) The amount on row 8 is carried over to column 2, row 1 of the Table "Claiming relief pursuant to Section 35a, subsection 4 of the Act" or "Claiming reliefs pursuant to Section 35b, subsection 5, of the Act" which is a part of the "Separate Attachment to row 5, Table H of Attachment no. 1 to Part II" of the corporate income tax return form.

Attention:

When claiming an entitlement for the payment of an intended subsidy, Recipients of covenant for investment incentives that were granted before Act no. 72/2000 Coll., on investment incentives and on the amendment to some Acts by Government Resolutoin (specific type 8 of a taxpayer), became law, must prove the fulfilment of the conditions stipulated in the Declaration of Joint Intent.

III. In the system valid from 12th July 2012

a) Starting out conditions stipulated by a decision of the Ministry of Industry and Trade

Row	Indicator	Taxpayer
1	Maximum rate of public support pursuant to Section 5, subsection 5, letter d), in connection with Section 6, subsection 1, of Act on Investment Incentives (hereinafter "The All") – expressed as a percentage	
2	Maximum amount of public support pursuant to Section 5, subsection 5, letter d), in connection with Section 6, subsection 1, of The All – in CZK	
3	Eligible costs (Section 6a, subsection 1, letter a)* b)* point 1.* 2.* of The All, spent till the end of the considered period – in CZK	
4	Maximum acceptable value of public support claimable to the end of the considered period, up to the amount stated on row 2 – in CZK	
5	Actual amount of the price benefit in the transfer of land and associated infrastructure (Section 1a, subsection 1, letter a) point 2) of The All), provided till the end of the considered period – in CZK	
6	Actual drawing of tangible support for the creation of new jobs (Section 1a, subsection 1, letter a) point 3 of The All) – in CZK	
7	Actual amount of tangible support for the retraining or training of employees (Section 1a, subsection 1, letter a), point 4, in connection with Section 2, subsection 8 of The All), paid till the end of the considered period, separately with investments incentives pursuant to Section 1a, subsection 1, letter a), points 1, 2, 3, 5 of The All – in CZK	
8	Actual drawing of tangible support for acquisition of tangible and intangible assets for strategic investment project (Section 1a, subsection 1, letter a), point 5 of The All), till the end of the considered period – in CZK	
9	Non-exceedable summary of tax reliefs (Section 1, subsection 1, letter a), point 1 of The All) to the end of the considered period, stipulated pursuant to Section 35a, subsection 4 or Section 35b, subsection 5, of the Income Tax Act (row 4 – 5 – 6 – 7 – 8) > 0*)	

- *The amount on row 9 is carried over to column 2, row 1 of the Table "Claiming reliefs pursuant to Section 35a, subsection 4 of the Act" or "Claiming relief pursuant to Section 35b, subsection 5, of the Act" which is a part of the "Separate Attachment to row 5, Table H of Attachment no. 1 to Part II" of the corporate income tax return form.

EXPLANATORIES:

- 1) Specification of the eligible costs shall be made by striking out the reference to the unsuitable letter of the Section 6a, subsection 1 of The All. In the case of investment project in technology centers or in centers of strategic services is the concretization of the eligible costs selected by applicant for an investment incentive made by striking out the reference to the unsuitable letter of the Section 6a, subsection 1, letter b of The All