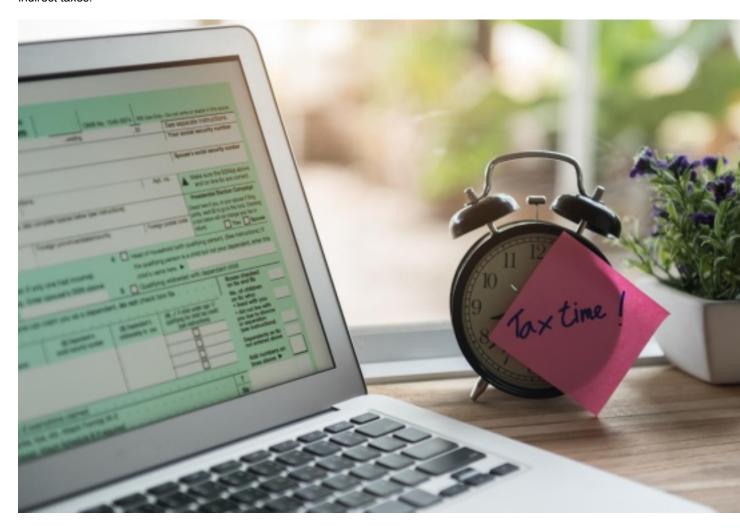
Czech Tax System

The tax system of the Czech Republic is similar to the systems of other European countries. It consists of direct and indirect taxes.



Direct taxes

Personal income tax

The income of private individuals is taxed at a rate of 15% of the tax base, i.e. supergross wages. If your monthly wage exceeds CZK 139,340, a solidarity tax is also charged in the amount of 7%.

Real estate tax

Real estate taxes are levied on land and buildings. For land, the tax base is the acreage of the land or its price. The tax rate varies depending on the quality and location of the land and the way it is used.

Road tax

The road tax applies only to vehicles that are used for business. Vehicles that are exclusively for personal use are exempt from this tax. In addition to the road tax, there is a fee for the use of motorways, which must be paid by all vehicles.

Indirect taxes

Value added tax

The majority of taxable transactions in the Czech Republic and imported goods are subject to this tax. There are three VAT rates. The basic VAT rate is 21%, the first reduced VAT rate is 15% (this includes food, accommodation, and catering services), and the second reduced rate is 10%. This rate includes, for example, medicines, books, and home care for children, or the elderly, the sick and the disabled.

Excise tax

Excise taxes are levied mainly on commodities whose demand the state wants to regulate, such as alcohol, beer, wine, tobacco, and tobacco products. The tax usually makes up more than 50% of the price of these goods.