

Summary

The aim of this thesis is to offer to the reader a coherent explanation of the real estate tax as it pertains to the real estate owners.

The real estate tax is divided into three parts: the tax on the building, the tax on land and the tax on flats, which is the focus of this thesis. Each of the three parts contains information about when to pay the real estate tax, who is the tax payer, the tax calculation, cases of tax immunity and a duty to fill in a declaration of taxes and its format.

The real estate tax belongs to the property taxes and its profit goes to the municipal budgets. The municipality is allowed to decide how to invest acquired money in its infrastructure and can issue a local law and change the amount of the tax; setting a different municipal coefficient from the act. Next, it can set a new territorial coefficient of 2, 3, 4 or 5, which raises the final tax. It is completely on the decision of each municipality, if the profit from the real estate tax as outlined in the act is sufficient or if the municipality chooses to use the opportunity to make the tax higher and get more money into the budget.

The main point of tax calculation is to find a tax base, which is possible to set in several forms. The most common ways to calculate the tax base is according to square meters or the value of the real estate, so-called "ad valorem". In the Czech Republic the tax base is dependent on square meters. It is a less commonly used system, where the value of the real estate is not important, but there is still a big advantage, this method not required a lot of administrative actions.

In comparison with the ad valorem system the tax base reflects the value of the real estate and is set from market value or cadastral value with usage of the municipal price maps. This is one of a small disadvantage of this method. The municipal price maps are not mandatorily updated in fixed terms and therefore the real estate value does not always correspond to a market price. This system is used principally by the members of The European Union and results in higher profit.

In the past few years two differing schools of thought have emerged. One group favours the ad valorem system and the other suggests a tax cancellation. The tax opponents argue with a low profit and believe that this tax is in fact the next taxation of incomes.

The last amendment of the act sets the new territorial coefficient. The cases of tax immunity were narrowed but still it has not been any proposal by any political party to change the tax construction.

Contained within its thesis are two comparisons of legal regulations between the Czech Republic and two of the EU states, the Slovak Republic and the Federal Republic of Germany.

With the exception of the duties related to real estate ownership, this thesis contains some specifics related to other costs e. g. charge related to trash, charge related to driving in specified parts of the city and the other costs related to the real estate utilities.