

# Contents

Preface .....	IX
Author.....	X
Literature.....	XI
Abbreviations .....	XIX
Chapter 1 Description of the Tax .....	1
Chapter 2 Taxpayers of the Corporate Income Tax .....	7
2.1 The subjects of CIT .....	7
2.2 Legal persons .....	8
2.3 Unincorporated organisational entities .....	9
2.4 Foreign companies .....	9
2.5 Small taxpayers.....	10
2.6 Capital companies in organisation .....	11
2.7 Unincorporated companies and corporate income tax .....	12
2.8 Change of the legal status and the tax-paying liability.....	14
2.9 Tax capital group .....	15
2.10 Subjective exclusions .....	24
2.11 Unlimited and limited tax-paying liability .....	27
2.12 Subjective exemptions .....	29
2.13 Tax year .....	31
Chapter 3 Taxation of Foreign Persons.....	35
3.1 Principles of taxation of foreign persons .....	35
3.2 Taxation of undertaking and branch .....	42
Chapter 4 Tax Documentation .....	49
4.1 Concept of the accounting records.....	49
4.2 Unreliability of the books and estimation of the taxation base..	51

## Contents

---

<b>Chapter 5</b>	Profit Sharing .....	57
5.1	Linkages between taxpayers.....	59
5.2	Transaction methods .....	62
5.3	Transaction profit methods .....	63
<b>Chapter 6</b>	Object of Taxation.....	65
6.1	General principles.....	65
6.2	Income derived from shareholdings in an unincorporated company (partnership).....	66
6.3	Concept of the shareholding in an unincorporated company ...	68
<b>Chapter 7</b>	Capital Income.....	71
7.1	Exchange of shareholdings.....	72
7.2	Appropriation of the net profit for the increase in the initial capital.....	73
7.3	Taxation of income from a share in the profits of a legal person .....	73
7.4	Dividends .....	74
7.5	Redemption of shares .....	78
<b>Chapter 8</b>	Revenues.....	81
8.1	Subjective exclusions in the case of revenues .....	84
8.2	Rebates and bonuses versus revenue .....	89
8.3	Return of goods .....	91
8.4	Subsidies and subventions .....	91
8.5	Stipulated penalties .....	92
8.6	Loans and interest .....	92
8.7	Advance, down payments and prepayments .....	93
8.8	Refunded, remitted or waived taxes and duties .....	93
8.9	Date of the revenue generation .....	94
8.10	Invoicing and revenue taxable with the income tax .....	97
<b>Chapter 9</b>	Revenue from Gratuitous and Partially Paid Performances .....	101
9.1	Gratuitous and partially paid performances .....	101
9.2	Gratuitous provision of a real property.....	104
9.3	Principles of determining selected types of revenue .....	107

9.4	Remittal and statute of limitations for liabilities .....	109
9.5	Revenue taxable with the flat income tax .....	111
9.6	Losses .....	114
<b>Chapter 10</b>	<b>Deductible Costs .....</b>	<b>115</b>
10.1	Definition of deductible costs.....	115
10.2	Costs not classified as deductible ones.....	118
10.3	Principles of documenting deductible costs.....	128
10.4	Moment of recognising costs in tax books .....	130
10.5	Liabilities as a type of deductible costs.....	134
<b>Chapter 11</b>	<b>Fixed Assets.....</b>	<b>141</b>
11.1	General principles .....	141
11.2	Principles and methods of depreciation.....	143
11.3	Inventory of fixed assets .....	150
<b>Chapter 12</b>	<b>Subjective Tax Exemptions.....</b>	<b>153</b>
12.1	General principles .....	153
<b>Chapter 13</b>	<b>Taxation of Leasing .....</b>	<b>159</b>
13.1	Parties to the tax leasing agreement .....	161
13.2	Object of the agreement of leasing.....	161
13.3	Basic term of the agreement .....	162
13.4	Actual and hypothetical net value.....	162
13.5	Principles of the taxation of parties to the so-called operational leasing agreement.....	163
13.6	Principles of the taxation of parties to the so- called financial leasing agreement .....	165
<b>Chapter 14</b>	<b>Taxation Base and Amount of the Tax .....</b>	<b>169</b>
14.1	Taxation base .....	169
14.2	Taxation of revenues .....	170
14.3	Donations.....	171
<b>Chapter 15</b>	<b>Tax Collection.....</b>	<b>183</b>
15.1	Withholding income tax paid in accordance with general principles.....	184
15.2	Exemption from payment of the withholding tax .....	186
15.3	Responsibilities of a taxpayer .....	193

## Contents

---

15.4 Tax residence certificate .....	194
15.5 Tax returns .....	195
<b>Index</b> .....	<b>199</b>