

INSTRUCTIONS

for filling out the value added tax return

Value Added Tax return (further only "tax return") is a universal blank form to be filled out by VAT payer (§ 94), person identified for VAT (§ 96) and person, who is not VAT-payer or person identified for VAT.

Every above mentioned subject follows general and appropriate parts of instructions for filling out the form.

General part

Subject that makes tax return, fills out cells and lines of the form with white background. If there is no data filled out into any line, then it is judged as there was no taxable fulfilment. In these instructions, L means line. The tax return form consists of SECTIONS A, B and C. Abbreviation "Tax base" used in the form means tax basis total sum according to § 36 of particular taxable fulfilment for the taxable time period.

Instructions for VAT payer

VAT payer is obliged to make a tax return until 25 days after the end of taxable time period.

SECTION A. – VAT payer is obliged to fill out cells with appropriate tax administrator place, tax identification number (country code CZ and essential part), cross a type of made tax return (regular, corrective or additional), and in the case of additional tax return, to fill out a date of finding out reasons for making such tax return type (§ 41 clause 1 of the law No. 337/1992 Coll., of taxes and charges administration, as amended by further regulations, "further only "LTCA") and taxable time period, including calendar year. By a cross mark in the cell No. 1 he confirms that tax return is made by tax payer and further fills out data relating identification of a subject according to the fact, if it is corporate body or he is natural person.

In the cell "other data", he will mention two dominant economical activities according to realised taxable supply for a relevant taxable time period.

Regular tax return:

SECTION B.

Part I - If there is no taxable supply causing an output tax liability or claim for a VAT deduction, VAT payer will make a cross mark in the cell of the part I.

Following lines of the tax return will be filled out according to tax files relating to relevant taxable time period.

Part II. – Tax liability for

1. realized taxable supplies with a place of supply in the Czech Republic

L. 210 and 215 – VAT payer will fill out data of tax base and output tax according to tax rate from realised taxable fulfilment with a place of performance in the Czech Republic within a taxable time period. In these lines, there should be mentioned also received payments previous to realising taxable supply and VAT liability originates by the day of receiving such payments. These lines include also forwarding of goods from the Czech Republic to other member state according to § 18 with a place of supply in the Czech Republic, if a value of the goods will not exceed registration limit of appropriate state (values of registration limits for particular member states are mentioned in a review at the end of these instructions). These lines include tax also in the case of supply of goods according to § 7 clause 3 by a subject mentioned in § 13 clause 9, which supplies goods with installation and assembly, and is obliged to declare and pay the tax according to § 108, if the place of performance is the Czech Republic.

2. acquisition of goods from another Member State (§ 16 and § 17 clause 6 letter e): except § 19)

L. 220 and 225 - tax payer will fill out data of tax base and output tax according to tax rate from acquisition of goods from other member state according to § 16 and the tax will be calculated as a product of tax base (§ 40) and relevant tax rate (§ 47). These lines are filled out with tax base and output tax and goods buyer by a method of simplified procedure according to § 17 clause 6 letter e). This line should not include data of acquisition of new means of transport, which has a separate line number 250.

3. supply of service by a person registered for VAT in another Member State (§ 15 and § 13 clause 8)

L. 230 and 235 – tax payer will fill out data of tax base and output tax according to tax rate from supply of services by subject registered for the tax in other member state according to § 15. The tax will be calculated as a product of tax base (§ 39) and relevant tax rate (§ 47). These lines will also include goods deliveries to the tax payer according to § 7 clause 3 related to installation or assembly with a place of taxable supply in the Czech Republic according to § 13 clause 8.

4. forwarding of goods from another Member State with a place of supply (§ 18)

L. 240 and 245 - VAT payer will not fill out these lines

5. acquisition of new means of transport

L. 250 - VAT payer will fill out data of tax base and output tax from acquisition of new means of transport from a subject registered in other member state according to § 19 clause 3. The tax will be calculated as a product of tax base (§ 40) and relevant tax rate (§ 47).

L. 255 - VAT payer will fill out data of tax base and output tax from acquisition of new means of transport from a subject not-registered in other member state according to § 19 clause 4. The tax will be calculated as a product of tax base (§ 40) and relevant tax rate (§ 47).

6. import of goods (§ 20)

L. 260 and 265 - VAT payer will fill out data of tax base and output tax from goods import documents considering tax rates according to § 20 and output tax will be calculated according to § 38. Since January 1st 2005, these lines will also include tax base and output tax in the case of import of goods, when customs authority will not collect the tax and the tax will be declared by a tax payer as a tax liability according to § 23 clause 3.

7. supply of service by a foreign taxable person (§ 15 and § 13 clause 8)

L. 270 and 275 - VAT payer will fill out data of tax base and output tax according to tax rate from supply of service by a foreign taxable person according to § 15. The tax will be calculated as a product of tax base (§ 39) and relevant tax rate (§ 47). These lines will also include goods deliveries to the tax payer according to § 7 clause 3 related to installation or assembly with a place of taxable fulfilment in the Czech Republic according to § 13 clause 8.

III. Entitlement to VAT deduction from following taxable supplies

(Column of tax base should included relevant total sum of tax basis with full and reduced input tax claim. Supplies with no claim to tax deduction should not be shown in the tax return.)

In lines 310 to 365, there will be filled out tax base and output tax from accepted tax supplies with a place of supply in the Czech Republic with full and reduced claim to tax deduction according to tax rates so that a relevant line of the second column will be fill out with input tax with an obligation to reduce the claim to tax deduction by a method mentioned in § 76.

1. received taxable supplies with a place of supply in the Czech Republic

L. 310 and 315 - VAT payer will fill out data of tax base and output tax from received taxable supplies with a place of supply in the Czech Republic.

2. acquisition of goods from another Member State (§ 16 and § 17 clause 6 letter e): except § 19)

L. 320 and 325 - VAT payer will fill out data of tax base and output tax from acquisition of goods from other member state according to § 16 and § 17 clause 6 letter e) according to tax rates except acquisition of new means of transport.

3. supply of service by a person registered for VAT in another Member State (§ 15 and § 13 clause 8)

L. 330 and 335 - VAT payer will fill out data of tax base and output tax from supply of services from other member state according to § 15 according to tax rates. These lines will be filled out with data of supply of goods with installation or assembly according to § 7 clause 3 by a subject registered for the tax in other member state according to § 13 clause 8.

4. import of goods (§ 20)

L. 340 and 345 - VAT payer will fill out data of tax base and output tax from goods importing documents according to § 20 with full and reduced claim to tax deduction according to tax rates.

5. supply of service by a foreign taxable person (§ 15 and § 13 clause 8)

L. 350 and 355 - VAT payer will fill out data of tax base and output tax from supply of service by a foreign taxable person according to § 15 according to tax rates. These lines will be filled out with data of supply of goods with installation or assembly according to § 7 clause 3 by a foreign subject obliged for the tax according to § 13 clause 8.

6. acquisition of new means of transport

L. 360 - VAT payer will fill out data of tax base and output tax from acquisition of new means of transport from subject registered for the tax in other member state according to § 19 clause 3.

L. 365 - VAT payer will fill out data of tax base and output tax from acquisition of new means of transport from subject not-registered for the tax in other member state according to § 19 clause 4.

7. at changing regime (§ 74)

L. 370 - VAT payer will fill out data of input tax into relevant columns of a claim to VAT deduction with minus mark or increase of an entitlement to VAT deduction at changing regime according to § 74.

L. 380 – it is a summary line mentioning concrete lines of entitlement acceptance for tax deduction, for which a VAT payer is obliged to reduce (§ 76).

L. 390 – it is a summary line mentioning concrete lines of full entitlement acceptance for tax deduction

IV. Realized VAT-exempt supplies with entitlement to VAT deduction

L. 410 - VAT payer will fill out data of supply sum at exporting goods to other member state according to § 64 to a subject registered for the tax in member state except supply of new means of transport according to § 64 clause 2 mentioned in the following lines 420 or 425. This line will also be filled out with supply of goods according to § 17 clause 2 when using simplified procedure in the EU territory by a method of tripartite trade.

L. 420 - VAT payer will fill out data of supply sum at exporting new means of transport according to § 64 clause 2 to other member state to a subject registered for the tax in this member state.

L. 425 - VAT payer will fill out data of supply sum at exporting new means of transport according to § 64 clause 2 to other member state to a subject not-registered for the tax in this member state.

L. 430 - VAT payer will fill out data of supply sum at exporting goods according to § 66 from tax document according to § 30.

L. 440 - VAT payer will fill out data of VAT-exempt supplies with entitlement to VAT deduction (§ 67, § 68, § 69 and § 70).

V. Total realized taxable supplies

L. 510 – (all VAT payers will fill out this line) - VAT payer will fill out data of total sum without a tax for entire taxable supplies with entitlement to VAT deduction mentioned in § 72 clause 2 letters a) to d), i.e. data:

- L. 210 + 215 + 410 + 420 + 425 + 430 + 440 and so on.

- Total sum of realized supplies with entitlement to VAT deduction with a place of supply outside the Czech Republic.

- Total sum of realized supplies according to special regime for travel services (§ 89) or for businessmen trading with used goods, artworks, antiquarian articles and antiquities (§ 90) reduced by an additional charge.

L. 520 - VAT payer will fill out a total sum without a tax for realized supplies with entitlement to VAT deduction mentioned in the line 510 not included into the coefficient according to § 76 clause 3.

L. 530 - VAT payer will fill out a total sum without a tax for entire realized VAT-exempt supplies according to § 51 without an entitlement to VAT deduction mentioned in § 75 clause 1.

L. 540 - VAT payer will fill out a total sum without a tax for realized VAT-exempt supplies without an entitlement to VAT deduction mentioned in the line 530 not included into the coefficient calculation according to § 76 clause 3.

Reduction, settlement, adjustment and equalisation of VAT deduction

L. 550 - VAT payer will fill out calculated VAT deduction proportion according to § 76 clause 1 that will be calculated as a product of line 380 and advance coefficient.

Within the taxable time period of current calendar year, including last taxable time period of this year, there will be made a reduction of a tax deduction in the line 550 by an advance coefficient according to § 76 clause 6.

L. 560 - VAT payer will fill out a VAT deduction settlement according to § 76 clause 7 to 10. VAT deduction settlement will be included into a tax return for the last taxable time period, eventually for the last taxable time period before cancelling the tax registration.

Settlement coefficient calculation = $\frac{\text{(sum of the line 510 – sum of the line 520)}}{\text{(sum of the line 510 – sum of the line 520 + sum of the line 530 – sum of the line 540)}}$, for the entire settlement time period.

L. 570 - VAT payer will fill out a sum total of calculated VAT deduction adjustment according to § 78. VAT deduction adjustment will be included into a tax return for the last taxable time period of the year.

L. 580 - VAT payer will fill out a sum total of calculated VAT deduction equalisation according to § 79. VAT deduction equalisation will be included into a tax return for the last taxable time period of the year

VI. Tax refund (§ 84)

L. 600 - VAT payer will fill out a sum of actually returned-back tax to natural persons from third countries at goods export according to § 84.

VII. Tax liability calculation

(It is a summary part of the whole tax return.)

L. 710 - VAT payer will fill out an output tax settlement sum at applying special regime in the case of VAT payers buying goods for resale in unchanged conditions according to § 91. In the case that the settlement sum reduces the output tax, it will be filled out with a minus mark.

L. 730 – it is a summary line of the output tax of concretely mentioned lines of the tax return.

L. 750 – it is a summary line showing an entitlement to VAT deduction in a taxable time period, eventually reduced according to § 76.

L. 753 – it is a difference line of the output tax and the tax deduction (line 730 – line 750) in the case that the output tax exceeds the tax deduction.

L. 754 - it is a difference line of the tax deduction and output tax (line 750 – line 730) in the case that the tax deduction exceeds the output tax.

L. 780 – this line is filled out only in the case of an additional VAT return.

VIII. Supplementary data:

Mentioning a value of acquisition and supply of goods through an intermediary using simplified procedure at tripartite trade (§ 17).

L. 810 – an intermediary will fill out a value of a supply for goods provided from other member state when using simplified procedure according to § 17

L. 815 - an intermediary will fill out a value of a supply for delivered goods when using simplified procedure according to § 17

Additional tax return:

Additional tax return is submitted independently only for one taxable time period till the end of a month following finding out a reason to submit a tax return. Tax payer is obliged to submit an additional tax return according to § 103 clause 1. VAT payer could submit an additional tax return within a time-limit of three years since the end of taxable time period, in which an obligation to submit an additional tax return became effective, in the case that it reduces a tax liability by a correction summary, according to § 103 clause 2.

An additional tax return includes only differences from data, from which previous tax liability of relevant taxable time period has been defined with an exception according to § 103 clause 4 of correcting a tax rate and range according to § 49 clause 1 proceeding by a way determined in the mentioned law provision.

In the case that a VAT payer is obliged to reduce his claim to tax deduction according to § 76, he further proceeds as following:

L. 550 – a VAT payer will fill out a calculated proportion of a tax deduction according to § 76 clause 1, which will be calculated as a product of the line 380 and the coefficient.

In the case of correcting received and realized supplies for a taxable time period of still not settled year, a tax deduction in the line 550 will be reduced by the advanced coefficient.

In the case of correction of realized supplies for a taxable time period of already settled year within three immediately previous calendar years, a tax deduction in the line 550 will be reduced by a newly calculated settlement coefficient from data of the whole settled period with all corrections. In the case of taxable time periods previous to the time-limit according to the previous sentence, new settlement coefficient will not be calculated and last calculated settlement coefficient will be used for reducing a tax deduction in the line 550.

In the case of a correction of received supplies for already settled taxable time periods, last calculated settlement coefficient will be used for reducing a tax deduction in the line 550.

L. 780 – a VAT payer will fill out a data of a tax liability change. In the case of a positive sum, a VAT payer is obliged to pay it within a time-limit for an additional tax return submission. In the case of a negative sum, a tax payer could submit an application for refunding eventual excess payments according to § 64 of LTCA.

Corrective tax return:

Before an expiration of a time-limit for submitting a regular tax return, a VAT payer could submit a corrective tax return. So this corrective tax return will be used for assessment proceedings and previous tax return will not be taken into account (§ 41 clause 3 of LTCA).

SECTION C.:

Here, an authorised person will confirm correctness, entirety and truth of data mentioned in the SECTIONS A. and B of the tax return, for which he is fully legally responsible.

Instructions for a person identified for VAT

Person identified for VAT is obliged to submit the tax return within 25 days since the end of a taxable time period, in which a tax liability became effective.

Tax liability is payable within this time-limit according to § 101 clause 6. This subject fills out the tax return adequately as a tax payer and he fills out SECTIONS A and B.

L. 220 and 225 – fill out a tax base and output tax from acquisition of goods according to a tax rate.

L. 230 and 235 - fill out a tax base and output tax according to a tax rate from supply of services by a subject registered for the tax in other member state. Fill out these lines with data of supply of goods with an installation or assembly according to § 7 clause 3 by a subject registered for the tax in other member state according to § 13 clause 8.

L. 250 and 255 – fill out a data of a tax base and output tax from acquisition of new means of transport according to a person, from which such new means of transport has been provided.

L. 270 and 275 – fill out a tax base and output tax according to a tax rate from supply of services by a foreign taxable person. Fill these line out with data of supply of goods with installation or assembly according to § 7 clause 3 by a foreign subject obliged to the tax according to § 13 clause 8.

L. 310 – fill out data of supply of new means of transport to a subject in other member state.

L. 420 and 425 – fill out data of a sum for supplies at delivering new means of transport according to a subject, to which such new means of transport have been delivered.

L. 730 – this is a summary line of an output tax of concretely mentioned lines of the tax return.

L. 753 – fill out data from the line 730 and taxes in the case of acquisition of new means of transport, which are a tax liability in a relevant taxable time period.

L. 754 – fill out an entitlement to VAT deduction in the case according to § 19 clause 5.

Subject identified for the tax will submit an additional or corrective tax return similarly as a tax payer and will fill out also the SECTION C.

Instructions for non-payer of VAT (for the person, who is not VAT-payer or person identified for VAT)

Non-payer will use this blank form only in the case that he became to have an obligation to declare and pay the tax or an entitlement to VAT deduction.

Non-payer will make a cross mark in the cell No. 3 of the SECTION C and fill out other cells reasonably to a reason of using this blank form. He will not fill out cells for tax identification number and other data.

1. Non-payer, who bought a new means of transport from other member state that will be registered in road motor vehicles registry in the Czech Republic according to § 19 clause 6, will fill out line 753 in the SECTION B and SECTION C of this blank form and will submit it to a relevant tax administrator within 10 days since the day of getting it and will also submit a verified copy of a document of purchasing a new vehicle.

Tax administrator will assess a tax and a non-payer will pay it within 25 days since the assessment date.

2. Non-payer occasionally delivering a new means of transport to other member state according to § 19 clause 5 will submit a tax return with a report of delivering new means of transport and a tax document copy, and will fill out the line 754 in the SECTION B – only in the case that he claims against a VAT deduction of unpaid tax and will submit a tax return and the SECTION C to a tax administrator within 10 days since the delivery date.

If he will not claim against a tax deduction in this taxable time period or will not provide information necessary for correct assessment of an entitlement to VAT deduction on demand of a tax administrator, this claim becomes extinguished.

3. Non-payer who filled out a tax document with a tax according to § 108 clause 1 letter o) will fill out the line 753 in the SECTION B of the tax return form with a tax liability, fill out the SECTION C and pay the tax.

Summary of registration limits for needs of § 18, goods sending:

35,000 EUR – Belgium, Denmark, Greece, Spain, Ireland, Finland, Sweden, Malta, Slovakia, Slovenia, Poland, Hungary,

100,000 EUR – Germany, France, Luxembourg, Netherlands, Austria,

27,899 EUR – Italy,

31,427.27 EUR – Portugal,

34,220 EUR – Cyprus,

35,151 EUR – Estonia,

36,207 EUR – Lithuania,

36,952 EUR – Latvia,

109,598 EUR – Great Britain,

1,140,000 CZK – the Czech Republic