

INSTRUCTIONS

for filling out the income-tax return by individuals

for the taxable period (calendar year) 2017

"Instructions for filling out the income-tax return by individuals for the taxable period (calendar year) 2017" no. 25 5405/1 MFin 5405/1 – model no. 25 (hereinafter "Instructions") are instructions for filling out the form "The Income Tax Return by individuals pursuant to Act no. 586/1992 Coll., on Income Tax, as amended, for the taxable period (calendar year) 2017" no. 25 5405 MFin 5405 – model no. 24 (hereinafter tax return).

Instructions are not to replace the methodological interpretation of Act no. 586/1992 Coll., on Income Tax, as amended, (hereinafter Act) and Act no. 280/2009 Coll., on Administration of Taxes, as amended, (hereinafter Administration of Taxes Act), but serve as guidelines for filling out the tax return filed pursuant to Section 38gb of the Act or pursuant to Sections 135, 136, 138, 141, 239b, § 239c and 244 of Administration of Taxes Act, and highlight the key principles which need to be adhered to in order to calculate due tax liability. In view of the above, the taxpayer needs to be familiar with the relevant provisions of the legal regulations referred to you.

Tax return form is designed for individual income-tax payers (physical persons) in keeping with law, and serves as a basis for computation of tax from income of individuals, i.e. income from dependent activity (Section 6 of the Act), from business activity and other independent activity (Section 7 of the Act), accruing from capital (Section 8 of the Act), from lease (Section 9 of the Act) and other income (Section 10 of the Act), generated both in the Czech Republic and abroad. Income is understood to include both monetary income and non monetary income in-kind as well as that generated by exchange. Expense is understood to include the expense (cost) to generate, assure and maintain income pursuant to the Act.

Only rows and fields with white background are to be filled out by the taxpayer (those with pink background are used by the tax administrator). The form is to be filled out on a type-writer, computer or in capital letters by hand. Please, be advised that the form may be short of space for all possible entries as the individual situations of taxpayers differ greatly. Should the space be insufficient in the form, please, provide additional information on a separate A4 sheet and provide the number of attached sheets in the Part Attachments, row "Number of Attachments Not Stated Above".

Cross out rows and parts that are not filled, and if entire attachments (1 through 3) remain not filled, do not attach them.
Tax return, including attachments, may be filed electronically via data transfer signed in way, by which another legal provision connects the effects of handwritten signature of a sender verified in way by which it is possible to log into the data box in the form and under conditions published on the website www.daneelektronicky.cz. If the data transfer is not signed with certified electronic signature, it is necessary to complete this tax return within 5 days pursuant to § 71 subsection 3 of the Tax Code. If the taxpayer or its representative has data box or a legal obligation to have audited financial statements, pursuant to Section 72 subsection 4 of the Tax Code, he is obligated to submit tax return only via data transfer by using remote access, in the form and structure published by the tax administrator, sent in the way pursuant to Section 71 subsection 1 of the Tax Code, i.e. signed in way, which another legal provision connects the effects of handwritten signature or identity of a sender verified in way by which it is possible to log into the data box.

Instructions for Filling out tax return Front Page of the Form

To Tax Office in, at, for – fill in the official name of the relevant Tax Office (the Tax Administrator), in whose jurisdiction you permanently reside at the time of the filing. If you are registered, fill in the name of the Tax Office having jurisdiction according to the registration certificate.

Local branch in, for – state the local branch of tax office, where is your file regarding income tax by individuals located (pursuant to Section 13 of the Act no. 456/2011 Coll., on Financial Administration of the Czech Republic, as amended).

row 01 Tax Identification Number – fill in your Tax Identification Number provided you have received one.

row 02 Personal Identification Number given at Birth – provide your identification number given at birth in the Czech Republic. If your number consists of only three digits after the slash, leave the last space blank. If you are a taxpayer without the identification number given at birth in the Czech Republic, provide your date of birth.

row 03 Tax return – cross the relevant type of tax return. The form may be used for a regular tax return or corrective tax return, which may be filed prior to the regular tax return time-limit (in this case cross both options), or supplementary tax return (or corrective supplementary tax return), which is to be filed in case you have established after the regular tax return time-limit that your tax liability is higher (lower) or your tax loss higher (lower) than declared by you or assessed by the tax administrator. Corrective supplementary tax return may be filed prior to the regular tax return time-limit (in this case cross both options). In the supplementary tax return, provide actual figures not only mathematical differences between the original and newly declared numbers. In the supplementary tax return, provide the date when the reasons thereof were established pursuant to Section 141 of the Administration of Taxes Act (the above is valid also for corrective supplementary tax return).

row 04 Classification Code for type of tax return – cross the relevant code for tax return.

Provide a date when the event occurred

- A. in 30 days from the day of effectivity of resolution on bankruptcy (Section 244 Subsection 1 of the Administration of Taxes Act)
- B. in 15 days from the date of final report presentation (Section 244 Subsections 3 and 5 of the Administration of Taxes Act)
- C. in 15 days from the date of entry on discharge in bankruptcy (Section 244 Subsections 3 and 5 of the Administration of Taxes Act)
- D. in 15 days from the date of discharge in bankruptcy (Section 244 Subsections 3 and 5 of the Administration of Taxes Act)
- E. in 15 days from the date of fulfilment of another way of bankruptcy solution (Section 244 Subsections 3 and 5 of the Administration of Taxes Act)
- F. in 15 days from the date of passing of the competence to handle with property belonging to assets from insolvency trustee to tax-payer and reversely (Section 244 Subsections 4 and 5 of the Administration of Taxes Act)
- G. insolvency – for the previous taxable period, if the tax return has not been filed yet and the time-limit for its filing has not elapsed (Section 245 of the Administration of Taxes Act)
- I. Death – in 3 months after death of the testator and for the part of the taxable period which expired before the day of his death, pursuant to § 239b subsection 4 of the Tax Code, and for the previous taxable period if the tax return has not been filed yet and the time limit for its filing has not expired pursuant to § 245 of the Tax Code
- N. In 30 days from the day of the end of an inheritance proceeding and for the part of taxable period which expired before the day of the end of an inheritance proceeding. The obligation is met by the person that manages an inheritance (§ 239b subsection 5 and § 245 of the Tax Code)
- O. In 15 days from the day of submitting of the proper report on the realization of the assets of liquidation nature, or its part to a court (in the case of court-ordered liquidation of an inheritance) and for the part of the taxable period which expired before the day of submitting of this report. The obligation is met by a liquidation administrator (§ 239c and § 245 of the Tax Code)

row 05 Tax return has been Prepared and submitted by a Certified Tax Advisor – cross "yes" provided the power of attorney has been applied at the tax administrator (tax office) prior to regular three-month time-limit, for filing the tax return. Otherwise, cross "no".

row 05a Statutory Obligation to Have the Financial Statement verified by an auditor – cross "yes" if you have a legal obligation to have the financial statement verified by an auditor. Otherwise, cross "no".

Taxable Period – give the calendar year for which the tax return is filed. For the relevant code for type of tax return (for example adjudication of bankruptcy order, cancellation of bankruptcy, death), give the relevant part of the calendar year.

Regarding Part I Information about a Taxpayer

row 06 Surname – give your present surname.

row 07 Ne / neé – give your surname as it appears in your birth certificate.

row 08 First Name – give your first name as it appears in your birth certificate.

row 09 Title – give your academic title.

row 10 Nationality – give your citizenship.

row 11 Passport Number – if you are a non-resident, i.e. taxpayer defined in Section 2, Subsection 3 of the Act, give your passport number.

row 12 through row 18 Address of permanent residence at the date of the filing of tax return – give your address as indicated at the date of the filing of tax return in the Czech Republic or abroad. Number: building number slash street number.

row 19 through row 22 Address of permanent residence at the last date of the calendar year for which the tax is assessed – give your address as at 31. 12. 2017 in fields as indicated in the case the address is different from that as at the date of the filing of tax return (i.e. different than in rows 12 through 18). Number: building number slash street number.

row 23 through row 28 Address of permanent residence in the Czech Republic where is your habitual abode – provide this information if you are not a permanent resident in the Czech Republic, but you spend time in the Czech Republic. Number: building number slash street number.

row 29 Country Code – if you are a taxpayer pursuant to Section 2, Subsection 3 of the Act, i.e. a non-resident in the Czech Republic who has a tax liability in connection with income generated in the Czech Republic, provide the country code of the state where you are a resident (List of codes is to be found at www.financnisprava.cz, go to Taxes and Duties/Taxes/Income Taxes/Country Codes).

row 29a Total Worldwide Income – if you are a taxpayer pursuant to Section 2, Subsection 3 of the Act i.e. a non-resident in the Czech Republic and a resident of EU member state or state forming EEA and if you claim nontaxable parts of tax base pursuant to Section 15 of the Act, or a tax relief in keeping with Section 35ab, Subsection 1, Letter b) through e) and letter g) or a tax credit in keeping with Section 35c of the Act, provide the total of all income generated in the Czech Republic and abroad. Quote in CZK and convert foreign currency according to Section 38, Subsection 1 of the Act.

row 30 Transactions with foreign related person – Cross „yes“ if you carried out, in the period for which the tax return is being filed, transactions with the capital related person (§ 23 subsection 7 letter a) of the Act) or in a different way related person (§ 23 subsection 7 letter b) of the Act with the exception of the item 5). Otherwise cross „no“. Affiliation with foreign person does not also include a close person or person that it is in the legal relationship which can have elements pursuant to § 23 subsection 7 letter b) item 5 of the Act.

In the following Parts, quote amounts in whole Czech crowns. Figures in these columns are considered to be indicators pursuant to Section 146 of the Administration of Taxes Act, and are to be rounded to two decimal points. Sequential rounding in two or more stages is forbidden.

Regarding Part II Partial Tax Base, Loss

1. Instructions regarding calculation of the partial tax base from personal income from dependent activity (Section 6 of the Act)

According to Section 6 of the Act, income from dependent activity includes income in both from the Czech Republic and from abroad, converted into CZK. If there is income from foreign sources, the tax base of the tax-payer mentioned in Section 2 Subsection 2 is his income from dependent activity or discharge of office being exercised in a country, which does not have the concluded Double Taxation Convention with the Czech Republic, raised by the compulsory insurance pursuant to Subsection 12 and reduced by tax paid from this income abroad. If the dependent activity or discharge of office is being exercised in a country, which does have the concluded Double Taxation Convention with the Czech Republic, the tax base of the taxpayer mentioned in Section 2 Subsection 2 is his/her income from dependent activity or discharge of office being exercised in this country raised by the compulsory insurance pursuant to Subsection 12 this income can be reduced by tax paid from this income in a state, with which the Czech Republic concluded the Double Taxation Agreement, but only within the scope, in which this tax was not figured in domestic tax duty pursuant to Section 38f in very previous taxable period. Herewith it must be the left out tax from incomes, which are not included in a tax base. Entries reducing the tax base according to foreign legislation cannot be used on tax based assessment. Please note that to exclude double taxation, the respective Double Taxation Convention or Section 38f, Subsection 4 of the Act is applied solely in cases when income from dependent activity and function benefits of foreign country is incurred (state the withheld tax on row 87a in case of resident of the Czech Republic, in case of non-resident of the Czech Republic who is the tax resident of another EU member state or state forming EEA state the withheld tax on row 87b of the basic part of the tax return on page 3).

row 31 Total of All Income from All Employers (for a taxpayer pursuant to Section 2 Subsection 2 of the Act including incomes from abroad) – provide information found out for example in the "Certification of taxable income from dependent activity and office - holder's emoluments and of withheld tax advances and tax credit for the taxable period 2017" form (hereinafter "Certification") issued by each employer as per your request pursuant to Section 38j, Subsection 3 of the Act. If you include incomes pursuant to Section 6 Subsection 4 of the Act into the tax return (it is valid only for residents of the Czech Republic, EU or state forming EEA) you are obligated to state all these incomes pursuant to Section 6 Subsection 4 of the Act. State income pursuant to Section 5, Subsection 4 of the Act (in model of the certificate no. 25 it is sum of rows 2, 4 and 5 and in Certificate of withheld tax no. 4 it is row 2).

row 32 Total of the compulsory insurance pursuant to Section 6, Subsection 12 of the Act – give the insurance on social security and contribution on state labour policy and insurance on general health insurance, which the employer is obliged to pay from incomes mentioned on row 31 according to special legal provisions (Act no. 589/1992 Coll. and Act no. 592/1992 Coll.), (in Certificate no. 25 it is row 6 and 7). The amount corresponding to the compulsory insurance is also stated at an employee, at whom an employer is not obliged to pay the compulsory insurance (i. e. in case of incomes from abroad). The compulsory insurance is to be rounded up to whole crowns.

row 33 Tax Paid Abroad pursuant to Section 6, Subsection 13 of the Act – if you are a taxpayer pursuant to Section 2, Subsection 2 of the Act (tax resident) and if you have income from a foreign country, provide the tax paid abroad from this income as set forth in Section 6, Subsection 14 of the Act.

row 34 Partial Tax Base pursuant to Section 6 of the Act (row 31 + row 32 – row 33) – the calculated amount is partial tax base of incomes from dependent activity and functions benefits.

row 35 Total incomes from abroad raised by the compulsory insurance pursuant to Section 6, Subsection 12 of the Act – give the income from row 31 for which the payer of taxes had no obligation to withhold under Section 38h of the Act raised by the compulsory insurance pursuant to Section 6 Subsection 13 (e.g. income of employees of foreign embassies in the Czech Republic under Section 38c of the Act, income from sources abroad). The total income is provided in order to determine the tax advance payment pursuant to Section 38a of the Act. If you are a taxpayer defined in Section 2, Subsection 2 of the Act (tax resident) and if you have income from a foreign country with which the Czech Republic has no Double Taxation Agreement, then state the total income raised by the compulsory insurance and reduced by the tax paid from this income abroad end mentioned on row 33.

2. Partial individuals' income tax base pursuant to Section 6, Section 7, Section 8, Section 9 and Section 10 of the Act, Tax Base and Loss

row 36 Partial Tax Base from Dependent Activity and Office-holders' Emoluments pursuant to Section 6 of the Act (row 34) – copy the figure from row 34.

row 36a Partial Tax Base from Dependent Activity pursuant to Section 6 of the Act after exemption – on this row give distinction of the partial tax base pursuant to Section 6 of the Act (row 36) and total of exempt incomes from sources in abroad. The exempted incomes give in accordance with Section 6 Subsection 14 of the Act. In case, that you don't have any incomes from sources in abroad, which are tax exempted, copy the figure from row 36.

row 37 Partial Tax Base or Loss from Business Activity and Other Independent Gainful Activity pursuant to Section 7 of the Act (row 113 of the Attachment no. 1 of tax return) – copy the figure from row 113 of Attachment no. 1 of tax return.

row 38 Partial Tax Base from Income Accruing from Capital pursuant to Section 8 of the Act – give the total income from income accruing from capital under Section 8 of Act including income from sources in both the Czech Republic and abroad, converted into CZK, which is not subject to taxation by special tax rate pursuant to Section 36 of the Act. If you recorded in the tax period the interest income from loans or credits, you can reduce this income by interest paid from loans or credits which are used for financing loans and credits provided by you. This reduction shall be claimed up to amount of income. On row 38 state the partial tax base pursuant to Section 8 and on attached sheet state incomes and the expenses regarding interests from loans and credits.

row 39 Partial Tax Base or Loss from Lease pursuant to Section 9 of the Act – copy the figure from row 206 of the Attachment no. 2 of tax return.

row 40 Partial Tax Base from Other Income pursuant to Section 10 of the Act – copy the figure from row 209 of the Attachment no. 2 of tax return.

row 41 Total of row – give the total of rows (row 37 + row 38 + row 39 + row 40).

row 41a Total of the partial tax bases pursuant to Sections 7 up to 10 of the Act after exemption (row 41 – total of the exempted incomes from sources in abroad pursuant to Sections 7 up to 10 of the Act) – on this row give distinction of the partial tax bases pursuant to Sections 7 up to 10 of the Act (row 41) and total of the exempted incomes from sources in abroad pursuant to Sections 7 up to 10 of the Act. In case, that you don't have any incomes from sources in abroad, which are tax exempted, copy the figure from row 41. Minus amount is a tax loss, which you copy on row 61, Part IV, site 2 of the main tax return.

row 42 Tax Base (row 36a + amount greater than zero from row 41a) – the total is a tax base in keeping with the Act and with the Tax Administration of Taxes Act. If the amount on 41a is negative, give the amount from row 36a only. This means that the tax base is in fact a partial tax base according to Section 6 of the Act. If you claim calculation of spouses' joint tax base pursuant to Section 13a of the Act, copy from row 36, row 37, row 38, row 39, row 40 in Attachment no. 5, and leave rows 43 through 54 blank. In the event the amounts in row 37 and row 39 are negative, they combined represent a tax loss which, if you do not have income from abroad for which you claim an exclusion, should be copied on row 61 of the main tax return.

The proportional part of the tax base in percentage form for the remission of tax reimbursement due to an emergency due to exceptional occurrence [(row 37 + row 39) / row 42 * 100]. It applies only to taxpayers who claim the remission of personal income tax reimbursement by decision of the Minister of Finance MF-65647/2013/3901. In the case that you exempt the income from abroad in § 7 or § 9 of the Act, indicate in the calculation the amount after exemption. If the total sum in numerator is not a positive number, indicate zero in this row (remission cannot be claimed).

row 43 Total incomes pursuant to § 6 of the Act, from all employers after exemption (row 31 – total exempted incomes) - in the row show difference of incomes from all employers from dependent activity and total exempted incomes from sources in foreign countries from dependent activity. Fill in the row only in case of calculation of a solitary tax increase.

row 44 Claimed Loss – give the total of tax loss you claim (in the taxable period of 2017, you may claim loss incurred and assessed in (2012, 2013, 2014, 2015 and 2016), however, no more than the amount on row 41a. The amount of loss which is greater than the amount on row 41a represents that part of the loss which cannot be claimed in this tax period but may be claimed in the future taxable periods under Section 34, Subsection 1 of the Act. The taxpayer may claim losses from previous taxable periods under Section 34, Subsection 1 of the Act, the taxpayer shall state in a separate attachment the following information: 1. Taxable period in which the tax loss was incurred / was claimed, 2. The total of tax loss assessed (incurred) or declared for the taxable period mentioned under 1., 3. The part of the tax loss deducted in previous taxable periods, 4. The part of tax loss claimed in this tax period (row 44 of Part II of the regular taxable return, page 2). 5. The part of the tax loss that may be deducted in the future tax periods. A specimen of the recommended format of the attachment for claiming a tax loss on income may be found on the web site: www.financnisprava.cz.

row 45 Tax Base after Deduction of Loss (row 42 – row 44) – in this line give the balance between row 42 and row 44.

Regarding Part III Non-taxable parts of the tax base, Deductible Items and Tax

3. Non-taxable parts of the tax base pursuant to Section 15 of the Act

Fill in Part III if you claim non-taxable parts of the tax base pursuant to Section 15 of the Act and deductible items pursuant to Section 34 of the Act.

Regarding the non-taxable parts of the tax base, which may be claimed in dependence on the number of calendar months under Section 15 of the Act, give in the column the number of months corresponding to the amount claimed in the next column (row 47).

row 46 Amount pursuant to Section 15, Subsection 1 of the Act – give the value of gratuitous transaction (donation) which you made according to Section 15, Subsection 1 of the Act. The total value of the donation (donations) in a given taxable period must exceed 2 % of the tax base on row 42 or must be at least 1 000 CZK. No more than a total of 15 % of the tax base on row 42 may be deducted.

row 47 Amount pursuant to Section 15, Subsection 3 and 4 of the Act – give the amount of interest paid in the taxable period 2017 on loan granted in connection with building savings program or with mortgage credit line as it appears in the statement issued by the building society, bank, branch office of a foreign bank or a foreign bank. The total amount of interest deducted in keeping with these Subsections from all loans in one household must not exceed 300,000 CZK. If interest was paid only during a part of the calendar year, the amount claimed must not exceed one-twelfth of the maximum amount for each month in which interest was paid.

row 48 Amount pursuant to Section 15, Subsection 5 of the Act – give the amount of payments paid towards your retirement insurance with government subsidy or supplementary pension saving as it appears in the statement of the pension company regarding payments made in the taxable period 2017. It is possible to apply the amount of monthly contributions paid towards your retirement insurance with government subsidy or supplementary pension saving which in the individual calendar months of the taxable period exceeded the amount to which the maximum state contribution belongs. The amount must not exceed the total of 24,000 CZK for 2017.

- row 49 Amount pursuant to Section 15, Subsection 6 of the Act** – give the amount of payments paid towards your private life insurance as it appears in the statement of the insurance company regarding insurance payments made in the taxable period 2017. The amount must not exceed the total of 24,000 CZK for 2017.
- row 50 Amount pursuant to Section 15, Subsection 7 of the Act** – give the amount of trade union contributions in the taxable period 2017 which according to its by-laws protects economic and social interests of employees to the extent defined by special regulation (Section 146 et seq. of the Labour Code). Up to 1,5 % of taxable income (except for income taxed by withholding and on the basis of a special tax rate) may be deducted, however, no more than 3,000 CZK for taxable period 2017.
- row 51 Amount pursuant to Section 15, Subsection 8 of the Act** – state the claimed amount of payment for exams verifying results of further education pursuant to the act No. 172/2006 coll., up to the amount CZK 10,000 for the taxable period 2016 (at taxpayer with disability up to the amount CZK 13,000 and at the taxpayer with severely disability up to the amount CZK 15,000).
- row 52 Amount pursuant to Section 34, Subsection 4 of the Act (research and development)** – give the amount of expenses claimed for research and development (Guideline D-288).
- row 52a Amount pursuant to § 34 subsection 4 of the Act (deduction to support vocational education)** – give the amount of expenses claimed for support vocational education.
- row 53 Other amounts** – Provide the name the type of claimed deduction in the white field. For taxable period 2017 do not fill in.
- row 54 Total of non-taxable parts of the tax base and Deductible Items (row 46 + row 47 + row 48 + row 49 + row 50 + row 51 + row 52 + row 53)** – give the total of non-taxable parts of the tax base and deductible items according to the Act.
- row 55 Tax Base Reduced by non-taxable parts of the tax base and Deductible Items (row 45 – row 54)** – make the computation according to the instructions. If the row item is less than a zero, fill in zero. At the taxpayer stated in § 2 subsection 3 of the Act the tax base will be deducted for the taxable period by the amounts stated in rows from 46 to 51, only if it is the taxpayer that is the resident of a member state of the EU and EEA and if total incomes from sources in the Czech Republic pursuant to § 22 of the Act are at least 90 % of all his incomes with exception of incomes which are not subject to tax pursuant to § 3 or 6 of the Act, or are tax exempted pursuant to § 4, 4a, 6, 8 or 10 of the Act, or incomes that are liable to tax withheld under a special tax rate.
- row 56 Tax Base Rounded down to Whole Hundreds of CZK** – give the tax base from row 55 rounded down to whole hundreds of CZK (for instance 93 235 CZK round down to 93 200 CZK) pursuant to Section 16 of the Act.
- row 57 Tax according to Section 16 of the Act** – tax pursuant to Section 16 of the Act is 15 % from the tax base on row 56.

**Regarding Part IV
Total Tax, Loss**

- row 58 Tax According to Section 16 of the Act (row 57) or amount from row 330 of Attachment no. 3 of tax return** – copy the amount from row 57 (tax under Section 16 of the Act), or in case you have income from sources in abroad copy on this row the item from row 330 of Attachment no. 3 of tax return – Calculation of income of tax from sources abroad. ATTENTION! If you are moving a figure from the row 330, do not calculate with the row 59 at next calculation, i.e. to the row 60 move only the figure from row 58 (without putting on the row 59).
- row 59 Solidary tax increase pursuant to § 16a of the Act** – 7 % of the positive difference between the sum of the values in row 43 to row 114 after exemption and 48 multiple of average salary. For the calculation use the values without incomes for which you claim a method of exemption. (For 2017 the 48 multiple of average salary according to the government regulation No. 325/2016 Coll. is CZK 1,355,136). **If the taxpayer shows the tax loss at incomes from independent activity, incomes included to partial tax base can be reduced by the loss pursuant to § 6 of the Act.**
- row 60 Total Tax Rounded up to whole CZK (row 58 + row 59)** – give the total of tax according to instructions therein pursuant to the Act and the Administration of Taxes Act.
- row 61 Tax Loss** – copy the row item from row 41a. If you have income from abroad, copy the row item from row 41a if it is less than zero. Fill in the amount without the minus sign.

**Regarding Part V
Tax Relief and Tax Credit**

- row 62 Total Tax Relief pursuant to Section 35, Subsection 1 of the Act** – on row 62 give the total tax relief (Column 1 + Column 2 of the table below) which represents the total relief for employees with disability (excluding those with severely disability handicap) (item a), Column 1 of the table below) and for employees with severely disability (item b), Column 2 of table below) according to calculation formula to that is available at the website www.financnisprava.cz. Example of calculation of the amount of tax relief for employees with disability.

a) average yearly number of employees with disability (excluding those with severely disability)	Column 1 Tax Relief (in CZK)	b) average yearly number of employees with severely disability	Column 2 Tax Relief (in CZK)

- row 63 Tax Relief pursuant to Section 35a or Section 35b. If you claim a tax relief pursuant to Section 35a or Section 35b of the Act (Investment incentives), include this on row 63.**

Instructions regarding table no. 1

Information about the spouse – fill out particulars about your spouse with whom you live in one household (Section 115 of the Civil Code). Give this information only in the event you seek a tax relief for your spouse under Section 35ba, Subsection 1, Letter b) of the Act. Pursuant to Section 35ba, Subsection 1, Letter b) of the Act, your spouse's own annual income must not exceed CZK 68,000. For tax purposes the spouse is also meant registered partner pursuant to § 21e subsection 3 of the Act. If the personal identification number was not assigned to spouse in the Czech Republic, fill in the date of birth in following format: day, month, year (DD.MM.YYYY).

- row 64 Amount under Section 35ba, Subsection 1 Letter a) of the Act** – give the amount CZK 24,840.
- row 65a) Amount under Section 35ba, Subsection 1, Letter b) of the Act** – give the amount of CZK 24,840 annually, provided your spouse was not during the taxable period or any part thereof in the third group of handicapped persons (extremely serious physical handicap with a need of personal assistance) – severely disability card (here after severely disability), lives in the same household and has no own income (pursuant to Section 35ba, Subsection 1 Letter b) of the Act) in excess of CZK 68,000 per year. If you supported your spouse in the household just for several calendar months in the tax period, reduce tax by CZK 2,070 for every calendar month at the beginning of which you supported your spouse. Enforcing this discount you have to take into account the restriction pursuant to § 35ca of the Act. Provided that the conditions under Section 35ca of the Act are fulfilled, do not apply this provision if you apply a reduced maximum for lump expenses payments under Section 7 subsection 7 of the Act and also under Section 9 subsection 4 of the Act.
- row 65b) Amount under Section 35ba, Subsection 1, Letter b) of the Act** – give the amount of CZK 49,680 annually, provided your spouse is the severely disability card holder. If you supported your spouse in the household just for several calendar months in the tax period, reduce tax base by CZK 4,140 for every calendar month at the beginning of which you supported your spouse.
- row 66 Amount pursuant to Section 35ba, Subsection 1, Letter c) of the Act** – give the amount of CZK 2,520 annually (monthly CZK 210), if you are a recipient of a disability pension due to disability of first or second degree from pension insurance scheme under Pension Insurance Act or if the claim to partial disability pension has terminated due to a joinder of claims for old-age pension and partial disability pension.
- row 67 Amount pursuant to Section 35ba, Subsection 1, Letter d) of the Act** – give the amount of CZK 5,040 annually (monthly CZK 420), if you are a recipient of a disability pension due to disability of third degree from pension insurance scheme under Pension Insurance Act or another pension from the retirement insurance which is conditioned upon disability of third degree, if your claim to full disability pension lapsed due to a joinder of claims for old-age pension and disability pension of third degree or if you are fully disabled according to special law but your application for full disability pension was denied for reasons other than that of lack of full disability.
- row 68 Amount pursuant to Section 35ba, Subsection 1, Letter e) of the Act** – give the amount of CZK 16,140 annually, if you are a severely disability card holder. Do so even in the event you are not a recipient of partial or full invalid pension. If the above condition was met for several calendar months in a tax period, reduce the tax by CZK 1,345 for every calendar month at the beginning of which the relevant conditions were met.
- row 69 Amount pursuant to Section 38ba, Subsection 1, Letter f) of the Act 9** – give the amount of CZK 4,020 annually, if you prepare for vocation on the basis of daily school attendance or training. This applies until 26 years of age or until completion of PhD studies which are provided at universities until 28 years of age. If this condition was fulfilled only in several calendar months in the taxable period, you decrease the tax by the amount of CZK 335 for each calendar month, at whose beginning was the condition fulfilled.
- row 69a Amount pursuant to § 35ba subsection 1 letter g) of the Act** – give the applied tax relief for child placement in the organisation of preschool age children care. The tax relief can be applied in the amount of demonstrably incurred costs, maximally it can be applied CZK 11,000 for each children living with the taxpayer in a household.
- For taxpayers defined in Section 2, Subsection 3 of the Act the tax for the tax period shall be reduced by amounts given on rows 65a) up to 68 and the row 69a only if it is a taxpayer that is the resident of a member state of the EU and EEA, if is the total of his income from the sources in the Czech Republic (Section 22 of the Act) represents at least 90 % of all income, except for income which is not subject to tax pursuant to Section 6 of the Act, or which is tax-exempt pursuant to Section 4, Section 4a, Section 6 or Section 10 of the Act, or for income which is subject to withholding tax with a special rate.
- row 69b The amount pursuant to Section 35ba subsection 1 letter h) of the Act** – fill in claimed tax relief on registration of sales. The amount of tax relief on registration of sales is 5000 CZK. The tax relief is a maximum amount in the amount of positive difference between 15 % of partial tax base from independent activity and basic tax relief for a taxpayer. The tax relief is applicable only in the taxable period, in which you have registered the first sale, which you are obligated to register pursuant to the Act no. 112/2016 Coll., on Registration of Sales.
- row 70 Total of Tax Relief under Section 35 Section 35a, Section 35b and Section 35ba of the Act (row 62 + row 63 + row 64 + row 65a + row 65b + row 66 + row 67 + row 68 + row 69 + row 69a + row 69b)** – give the total of tax relief that you claim pursuant to Section 35, Section 35a, Section 35b and Section 35ba of the Act.

row 71 Tax after Tax Relief pursuant to Section 35, Section 35a, Section 35b and Section 35ba (row 60 – row 70) – make calculation as instructed. If the result is negative number state zero in the row.

Instructions to table no. 2

Information about children living in the household in a member state of the EU, EEA – If you are claiming tax relief pursuant to Section 35c of the act, provide information for every dependent child who meets conditions stated in pursuant to Section 35c, Subsection 6 living in the household. Into table state dependent child in case that you do not claim tax relief, into relevant column fill in zero. In column 1 give the surname and the name of the child, in column 2 give his/her personal identification number given at birth in the Czech Republic. In case the personal identification number was not given, state date of birth in format: day, month, year (DD.MM.YYYY). In columns 3, 4 and 5, give the number of calendar months during which the child was a dependant and for which you claim the tax relief. You do not have the claim in case if you apply tax relief pursuant to § 35a or § 35b of the Act. If you claim tax relief for more than four children, provide information on additional sheet of paper and attach to tax return. In the row "Total", give the total of months from columns 3 and 4 for all dependant children. The taxpayer stated in § 2 subsection 3 can apply tax relief, only if he is the resident of a member state of the EU, EEA and if total incomes from sources in the Czech Republic (pursuant to § 22 of the Act) are at least 90 % of all his incomes with exception of incomes which are not tax subject pursuant to § 3 or 6 of the Act, or are tax exempted pursuant to § 4, 4a, 6 or 10 of the Act, or incomes that are liable to tax withheld under a special tax rate.

row 72 Tax Relief on the maintained child – give the amount of tax credit pursuant to Section 35c of the Act. Claim to tax relief is CZK 13 404 per year for one child (CZK 1 117 monthly), CZK 19 404 per year for the second child (CZK 1 617 monthly) and CZK 24 204 for the third child and for each additional child (CZK 2 017 monthly). If the child is the severely disability card holder, the tax credit doubles. Should more taxpayers maintain a child in one household, only one of them may apply tax relief in a taxable period or in the same calendar month of a taxable period. **For the tax relief the same restriction pursuant to § 35ca of the Act as on the tax relief on spouse (see row 65a) is applied.** If is the second taxpayer, who maintained child with you in the household, employed submit Employer's Certificate of the second taxpayer for claiming tax relief in which the taxpayer states on which children and in what amount claiming tax relief. In the case that you do not submit such confirmation for reason that in household is no other taxpayer, who maintains children, mentioned in tax return, or the taxpayer is in household but he is not employed, state this fact to the free sheet.

row 73 Tax Relief (amount from row 72 up to a maximum equaling the amount on row 71) – give the amount of tax relief which you may claim as tax relief to the maximum amount of your tax liability on row 71.

row 74 Tax after Tax Relief pursuant to Section 35c of the Act (row 71 – row 73) – give the amount of tax after relief pursuant to Section 35c, i.e. from row 71 subtract row 73.

row 75 Tax Bonus (row 72 – row 73) – give the balance between tax credit and tax relief which represents a tax bonus. You may claim the tax bonus if terms set forth in Section 35c of the Act are met. The amount of tax bonus must be no less than CZK 100 and no more than CZK 60,300 per annum.

row 76 The total of monthly tax bonuses pursuant to Section 35d of the Act (including possible additional charge of tax bonus) – give the total of monthly tax bonuses which you received from the employer during the taxable period 2017. The information is to be found in "Certification" issued by individual employers. If you file a tax return and your annual account has already been performed at your employer, then in the Certification, model no. 25, it is sum total of row 13 and additional payment from row 19.

row 77 Tax Bonus Balance (row 75 – row 76) – give the balance between the tax bonus and total of monthly tax bonuses received.

Regarding Part VI Supplementary tax return

Fill out this part only if supplementary tax return is filed pursuant to Section 141 of the Administration of Taxes Act. Tax loss on row 81 and row 82 is to be provided in absolute values, i.e. without the minus sign. If you are filing supplementary tax return, state the reasons for its filing in the separate attachment pursuant to Section 141 Subsection 5 of the Administration of Taxes Act.

row 78 Last Known Tax – give your last known tax liability with respect to the taxable period, even if the row 81 will show the last known tax loss pursuant to Section 7 up to 10 of the Act. Otherwise, cross the row out.

row 79 Ascertained Tax pursuant to Section 141 of the Administration of Taxes Act (row 74) – copy item from row 74, from Part V of tax return, even if the row 82 will show the last known tax loss pursuant to Section 7 through 10 of the Act. Otherwise, cross the row out.

row 80 row Distinction between rows (row 79 – row 78) – increase (+) – the amount of tax will be higher, decrease (-) – the amount of tax will be lower – fill out this row together with row 82, if the last known tax amount is offset against the tax loss, then on row 80 give the amount from row 78 with the minus sign. (-), or the other way round, if the last known tax loss is offset against the tax liability, then on row 80 give the amount from row 79 with the plus sign. In the event the newly ascertained tax liability on row 79 is related only to income pursuant to Section 6 of the Act or tax liability under Section 16, Subsection 2 of the Act included in the separate tax base, then give this amount on the row.

row 81 Last Known Tax - tax loss – give your last known tax loss with respect to the tax period, even if the row 79 shows the last known tax liability pursuant to Section 6 of the Act. Otherwise, cross the row out.

row 82 Ascertained Tax Loss under Section 141 of the Administration of Taxes Act (row 61) – copy item from row 61 in Part IV of the tax return, even if the row 79 shows tax liability pursuant to Section 6 of the Act. Otherwise, cross the row out.

row 83 (row 82 – row 81) : increase (+) – the amount of loss will be higher, decrease (-) – the amount of loss will be lower – fill out this line together with row 80, if the last known loss is offset against the tax amount, then on row 83 give the amount from row 81 with the minus sign (-), or the other way round, if the last known tax liability is offset against the tax loss, then on row 83 give the amount from row 82 with the plus sign (+).

Regarding Part VII Payment of Taxes

row 84 Total of Withheld Tax Advances from dependent activity and office-holders' emoluments (after tax relief) – give the total of withheld tax advances from dependent activity and office-holders' emoluments (after tax relief) which were withheld by all employers. Do so pursuant to Section 5, Subsection 4 of the Act (in model of the Certificate no. 25 it is sum on row 12). In case of rendered annual accounting for a certain taxpayer's tax advances and tax credit, state the amount of withheld tax advances reduced for refunded overpaid from annual accounting.

row 85 Total of Remaining Tax Advances Paid – give the total of tax advances paid during the 2017 tax period or any part thereof for which the tax return is filed, including overpayments applied towards tax advance according to Sections 154 and 155 of the Administration of Taxes Act.

row 86 Paid tax ascertained as lump sum pursuant to Section 7a of the Act – give the amount of tax paid as lump sum according to Section 7a of the Act, which you will offset against the actual tax liability, if you file tax return pursuant to Section 7a, Subsection 3 of the Act, i.e. in the event your income differed from the projections.

row 87 Tax Withheld pursuant to Section 36, Subsection 6 of the Act (government bonds): if you are a taxpayer pursuant to Section 2, Subsection 2 and if you receive interest from government bonds purchased through an escrow account in a bank in keeping with special regulations and kept in a separate account with the Czech National Bank, with the Securities Center or in a central depository, then give the amount of tax withheld.

row 87a Tax Withheld pursuant to Section 36 Subsection 7 of the Act – I you are the resident of the Czech Republic, fill in the amount of deducted income tax pursuant to § 6 subsection 4 of the Act and only in the case if incomes, from which the tax was deducted, are included in the tax return.

row 87b Tax withheld pursuant to § 36 subsection 8 of the Act – if you are not the resident, tax resident of a member state of the European Union or European Economic Area, fill in the amount of deducted income tax pursuant to § 22 subsection 1 letter b), c), f) and g) item 1, 2, 4, 5, 6, 12 to 14 of the Act and only in the case if incomes, for which the tax was withheld, are included in the tax return.

row 88 Tax Secured by a Payer of Taxes pursuant to Section 38e of the Act – give the amount that was withheld pursuant to Section 2, Subsection 3 of the Act by the payer of taxes pursuant to Section 38e of the Act to secure tax. If you are a partner in an general partnership or a general partner in a limited partnership, the amount on this row will include tax secured by withholding by the company pursuant to Section 38e, Subsection 3, Letter a) of the Act in connection with the taxable period 2017 or any part thereof for which tax return is filed.

row 89 Tax Withheld pursuant to Section 38f, Subsection 12 of the Act – give the amount of tax withheld pursuant to Section 2, Subsection 2 of the Act from interest earned abroad (Section 38fa of the Act). Pursuant to Section 38f of the Act, the tax liability may be reduced by the tax withheld to the extent the withholding is higher than set forth in the respective international agreement and was withheld in keeping the EC legislation.

row 90 Tax Liability Paid (Advance) pursuant to Section 38gb, Subsection 2 of the Act – if you file tax return, give the amount of tax paid as a tax advance in connection in keeping with terms set forth in Section 38gb of the Act.

row 91 rest to pay – The amount greater than zero means that this amount is due as tax. The amount smaller than zero means that more than assessed was paid towards tax in the taxable period 2017. The taxpayer may ask the tax administrator for a refund of the tax overpayment by filling out an application form attached to tax return.

Attachments – tax return contains attachments on provided forms. Give the number of sheets of attachments. Taxpayers who keep accountancy shall attach the financial year-end statement pursuant to Section 18, Subsection 1 of the Act No. 563/1991 Coll., on the Accountancy, as amended. Respective statutory regulations through which the Accounting Act is implemented stipulate the organization and content of the balance sheet, the profit and loss statement and the attachments.

Statement regarding true and complete information is to be signed by the taxpayer. In the event the taxpayer has a statutory, appointed or selected proxy, the proxy shall sign the statement. **The instructions for filling out of data about the proxy is published on the following websites of the Czech Tax Administration – www.financnisprava.cz.**

Application form for a refund of the individuals' income tax overpayment – fill out if you request refund pursuant to Sections 154 and 155 of the Administration of Taxes Act. If you apply for such refund but no refundable overpayment is ascertained within 60 days of the application, the application shall be denied by the tax administrator. The entire amount of the overpayment will be refunded unless you specify a different sum. Note that a power of attorney given to a proxy (tax preparer) to prepare and file tax return on behalf of the taxpayer, and filed with the tax administrator, does not give the proxy an authority to request refund. The authorization excludes that. The application for refund may be made separated from tax return.

If you wish for the refundable overpayment to be transferred into an account in abroad (or for an account in the Czech Republic maintained in foreign currency), give the IBAN number of the account. Details regarding IBAN numbers are to be found on the Czech National Bank website (www.cnb.cz), go to "Platební styk IBAN" ("System of payment IBAN"). You also need to provide the BIC code of the bank and its address. Further, provide the exact name of the account holder and his address and the currency code of the account.