

## Taxes in the Czech Republic at the Time of COVID-19

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The COVID-19 pandemic is a phrase that has accompanied us every step over the last two years. This is not an abstract concept, the effects of the measures introduced because of this disease limit us at every turn. One of the ways in which the legislature and the executive power could help the people of the Czech Republic during this period was to introduce relief and change through taxes. These tools were used to a large extent, and therefore, during the COVID-19 pandemic, tax law in the Czech Republic changed dynamically. This article deals with the issue of the impact of the COVID-19 pandemic on tax law in the Czech Republic. The aim of this article is to outline the changes that have taken place and will continue to take place in tax law in connection with the COVID-19 pandemic and to further evaluate these changes in terms of their effectiveness, efficiency, and necessity.

Keywords: tax law, the Czech Republic, COVID-19 pandemic, changes

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### Introduction

The COVID-19 pandemic has affected every area of our lives in unprecedented ways. This was no different in the case of tax law, when in many respects the unprecedented situation began to affect this main revenue of public budgets. Through changes in tax law, the government in the Czech Republic began to enforce its policies fully, and under the pretext of trying to help entrepreneurs and ordinary citizens in the difficult times of the pandemic crisis, it introduced one package of measures and relief after another. As a result, on the one hand, support has been provided to entre-

preneurs (and not only), which has helped many of them to overcome difficult times. On the other hand, these measures have led to unimaginable deficits and unprecedented public debt growth.

Changes in the field of taxes in the Czech Republic during the COVID-19 period can be divided into several levels. First, long-term changes in tax law that were not directly related to the COVID-19 pandemic need to be considered. The pandemic either accelerated the adoption of these changes or had no effect on their adoption. Secondly, it is necessary to consider the rules that were adopted immediately after the pandemic unexpectedly struck for the first time. These are mainly or-

organisational rules within the system of financial authorities. This should lead to the fact that tax subjects who got into a difficult situation through no fault of their own will not be punished by the state for their inaction or late payment of tax obligations. Thirdly, these are systemic changes in laws that were adopted directly because of the COVID-19 pandemic, aimed, for example, at greater electronic financial administration or the introduction of extraordinary measures relating to the 2020 and 2021 tax periods. And finally, changes that at first glance may not be directly related to tax law, but as a result, in the long run, these are fundamental impulses to change existing tax laws in the future.

This article deals with the issue of the impact of the COVID-19 pandemic on tax law in the Czech Republic. It shows not only an overview of the changes that occurred in the Czech tax law during the pandemic, but also evaluates these changes and tries to put them into the context of the current situation in the Czech Republic. The aim of this article is to outline the changes that have taken place and will continue to take place in tax law in connection with the COVID-19 pandemic and to further evaluate these changes in terms of their effectiveness, efficiency, and necessity. That is, whether these changes are intended to reduce the negative consequences of the pandemic or whether they are merely placed in the context of the pandemic, although they have nothing to do with the COVID-19 pandemic.

## Literature review

The professional scientific literature on this topic can be found in the minimum. There is no book literature at all, as the authors have not yet managed to react to this current situation, which is logical, as the preparation of a monograph is not a matter of weeks or months. And then there was one technical problem. As a result of the COVID-19 pandemic, there is now a shortage of paper in the world and publishers currently have nothing to print on. From this point of view, journal literature or arti-

cles in proceedings are more interesting. Radvan and Svobodová (2021) wrote an article directly on the topic of *Tax Law Reforms in (Dis)Connection with COVID-19*. It discusses in detail the substantive and procedural changes that were adopted in connection with the COVID-19 pandemic in the Czech tax law. Boháč (2020) deals partially with the topic of the compensation bonus in the article *Compensation bonus – revenue or expenditure of public budgets?* Karfíková (2020), in turn, considers the role of tax regulations in the Czech Republic in relation to entrepreneurs in declaring a state of emergency after March 12, 2020. Semerád, Radvan, and Semerádová (2021) address an interesting topic in an article devoted to tax fraud in accommodation services during the COVID-19 pandemic. In general, Hrubá Smržová and Mrkývka (2020) discuss tax law in their latest publications in the 3rd edition of the textbook *Financial and Tax Law*. Pelc (2021) responds to changes in income taxes in his commentary on the Income Tax Act, Lichnovský et al. (2021) respond to changes in the tax process. Hrabětová (2016) then discusses in detail in her commentary on the electronic records of sales.

We can also be inspired by foreign journal literature, especially the Polish one, which offers many interesting solutions for the Czech legislator as well. Etel addresses what was missing from the tax code at the time of the pandemic in Poland (Etel, 2020) or what problems entrepreneurs face in applying various benefits when paying taxes during the pandemic (Etel, 2021). Dowgier (2020), in turn, describes in an interesting way how to pay taxes and fees during the COVID-19 pandemic and discusses the tax laws adopted in Poland to combat the pandemic (Dowgier, 2021).

The source of this article is most often a direct legislative text, namely draft laws, approved amendments to laws, the current wording of laws, as well as internal regulations of financial administration bodies and other organisational standards. Finally, it will also draw on the explanatory memoranda to these amending laws, on the analyses of individual ministries and decisions of the Minister of Finance.

## Methods

The source of data needed to analyse the changes introduced in the Czech tax law are mainly the primary legislation adopted by the authorities of the Czech Republic, specifically laws or measures that were adopted in times of emergency. Internal regulations and instructions issued by the Ministry of Finance are also a crucial source, thanks to which the Ministry of Finance was able to react operatively to the dynamically changing situation in connection with the COVID-19 pandemic. These primary sources are subject to a thorough analysis regarding the stated objectives of this article. The methods of scientific work based on the evaluation of primary and secondary data, induction and deduction, analysis and synthesis are used. The method of comparison is also used in specific parts.

## Research results and their evaluation

As mentioned above, like other industries, tax law has passed a stress test during the COVID-19 pandemic. And it basically goes through that even today. At the time of writing, the number of infected people is growing again in the Czech Republic. We are benefiting from the experience gained during the first, second, and third waves of the pandemic, but this can change very quickly, as we saw in March and April 2020, when emergency measures were taken at critical times day-to-day. It is important to note that most changes in tax law have been adopted to simplify the situation for taxpayers. And this is basically a connecting line of all accepted changes, whether of a substantive, procedural, or organisational nature. Many changes in tax law in the Czech Republic, especially of a temporary nature, were linked to the declared state of emergency, which lasted from 12.3.2020 to 17.5.2020 in the first wave, and then continuously from 5.10.2020 to 11.4.2021. Public authorities responded to the pandemic in several ways. The legislation issued by the government and individual ministries, ministers, or decisions of the Minister of Finance seemed to be

the most effective. They did not have to go through the legislative process, and therefore, it was possible to issue them very quickly and very operatively. We also encounter this method primarily within the framework of tax law, namely the so-called Lex COVID, i.e., Act No. 191/2020 Coll., on certain measures to mitigate the effects of the SARS CoV-2 coronavirus epidemic on persons involved in court proceedings, victims, victims of crime and legal persons, and Insolvency Act and the Code of Civil Procedure, dated 17.4.2020. The situation was similar at the time of the peak of the second wave in 2020, when Act No. 94/2021 Coll., on emergency measures in the event of an epidemic of COVID-19 and on the amendment of some related acts, was adopted on 26 February 2021. Only then did the government and the legislature power directly or indirectly support entrepreneurs and employees to mitigate the effects of the COVID-19 pandemic. When it comes to tax law, in accordance with Article 11 (5) of the Charter of Basic Rights and Freedoms, taxes and fees may be imposed only based on law, so these changes had to be introduced into the Czech legal code by law (Hrubá Smržová et al., 2020). At the same time, some systemic changes in tax law were adopted, such as abolition of super-gross wage and certain taxes. The added value of these processes was the noticeable progress in introducing a greater level of digitalisation in taxation.

## Immediate changes in tax law in connection with the pandemic, consisting in the interpretation of legislation in favour of taxpayers

The dynamic development of the pandemic also needed to be responded dynamically. As an option, the government chose a decision by the Minister of Finance on mass forgiveness of taxes (Lichnovský et al., 2021). The first key decision of the Minister of Finance was adopted on March 16, 2020, and concerned the waiver of tax accessories and administrative fees due to an emergency.

Therefore, this decision led to a mass waiver of tax and administrative fees, both due to the reduction in the number of visits to tax offices and due to the limited ability of taxpayers to obtain the necessary documents during the lockdown, or the impossibility of fulfilling their obligations due to illness or ordered quarantine. This was followed by a series of decisions by the Minister of Finance concerning tax forgiveness, tax accessories, administrative fees, such as value added tax waiver for free delivery of COVID-19 test kits, diagnostic test tools and instruments, masks, gas masks and various protective equipment, or fines for late filing of tax returns and interest on delays in the case of income tax or tax on acquisition of immovable property (Karfíková, 2020). The executive power, therefore, reached for an operational solution to the situation, where it was not expedient to make such changes quickly by changing the laws. After all, the adoption of laws requires at least a minimal social debate on the changes being introduced. The institute of mass forgiveness of taxes seemed to be the ideal way to eliminate possible future congestion of the financial administration due to increased violations of tax legislation by taxpayers in connection with the restrictions introduced in the state of emergency. In addition, the executive power is to be commended for the fact that the decisions on mass tax exemptions were taken in advance. For example, income taxpayers were sure that they would not face any sanctions until 18 August 2020 before the deadline for filing the tax return (Radvan, Svobodová, 2021).

In the second wave, which hit the Czech Republic in the autumn of 2020, the Ministry no longer pardoned taxes and their accessories globally. The decisions were targeted at specific groups of entities that were most affected by the measures in place (typically restaurants, bars, music clubs, trade fairs, zoos, museums, castles, etc.). This was subsequently supplemented by the retail sale, sale, and provision of services in establishments, or the waiver of value added tax for COVID-19 test kits and for vaccines.

At the beginning of 2021, there was again a general waiver of tax, this time a road tax, which is

paid by February 1 for the previous year, and the deadline was extended to April 1, 2021. This was followed by a waiver of income tax on taxpayers who were imposed work duties or work assistance as part of the government's crisis measures during the period of the emergency. This was particularly the case in the healthcare system, which for some time faced unprecedented pressure from healthcare itself and work obligation for students in healthcare. Overall, the trend that began in 2021 continued and the Minister of Finance deliberately waived the tax or its accessories or administrative fees in areas that were key to the fight against the pandemic or to persons who could be restricted in some way because of the pandemic or related measures, especially financially. To some extent these decisions on collective tax remission, especially in the first phase of the pandemic, certainly served their purpose as they removed the negative consequences of the pandemic for taxpayers who, for objective reasons, could not meet these obligations. On the other hand, the question is whether, even after such a long time since the beginning of the pandemic, the Minister of Finance should continue to use this method. Due to its scope and focus, this significantly affects the tax obligations of taxpayers in the Czech Republic. At the same time, it must be kept in mind that this is still only a manifestation of executive power. However, it is true that the Minister of Finance was empowered by law, and, in addition, decisions were taken in favour of taxpayers and not to their detriment. Therefore, it can be stated that they would also pass the constitutionality test. Rather, it is conceivable whether the boundaries of the mass remission of tax or its accessories should not be set out in more detail in the law. There has been plenty of time for this since the beginning of the pandemic.

### **Changes in tax laws related to the pandemic**

Major changes at the level of laws in the area of substantive tax law were introduced into the

Czech legal system by Act No. 299/2020 Coll., which amends certain tax laws in connection with the occurrence of the coronavirus SARS CoV-2 and Act No. 159/2020 Coll., on a compensatory bonus in connection with the crisis measures in connection with the occurrence of the SARS CoV-2 coronavirus, as amended – which amends certain tax laws in connection with the occurrence of the SARS CoV-2 coronavirus. This law amended the following laws in connection with the COVID-19 pandemic:

- Act No. 338/1992 Coll., on real estate tax as amended;
- Act No. 586/992 Coll., on income taxes, as amended;
- Act No. 16/1993 Coll., on road tax, as amended;
- Act No. 353/2003 Coll., on excise taxes, as amended;
- Act No. 235/2004 Coll., on value added tax, as amended;
- Act No. 164/2013 Coll., on international cooperation in tax administration and on amendments to other related acts, as amended.

In the case of real estate tax, it was a matter of introducing the possibility for municipalities to exempt real estate from real estate tax because of an emergency. In the case of corporate income tax, the possibility of deducting from the tax base a legally determined tax loss or its part was introduced, among other things, in the 2 tax periods immediately preceding the tax period or the period for which the tax return is filed, for which the tax loss is determined, or in the 5 tax periods immediately following the period for which the tax loss is determined, which can help bridge the unfavourable period (Pelc, 2021). There was a significant reduction in road tax rates, when tax rates were reduced for all categories of vehicles with a maximum permissible weight exceeding 3.5 tonnes (Radvan, Svobodová, 2021). In the case of excise taxes, the time for the refund of funds paid for excise taxes on so-called green diesel was shortened. In the case of value added tax, accommodation services (Semerád, Radvan, Semerádová,

2021), cultural and sporting events, and sports services were at a lower rate of 10%, when these areas were most affected by the restrictive measures in connection with the COVID-19 pandemic.

Overall, the changes introduced during the COVID pandemic can be assessed as positive, although it is possible to ask why the changes were introduced only selectively. The COVID-19 pandemic has affected almost all areas of life. Some less, others more. On the contrary, some even grew during the pandemic – see transport services, e-shops, streaming services, etc. But it is to be appreciated that at least some changes have been made.

If we focus on changes in procedural tax law, a fundamental amendment to the Tax Code was adopted here in the form of Act No. 283/2020 Coll. This Act amends Act No. 280/2009 Coll., The Tax Code, as amended, and other related acts. The question is to what extent the changes were made in connection with the COVID-19 pandemic because the explanatory memorandum to this law itself does not mention the pandemic. At the same time, the laws introduced in connection with COVID-19 precisely contain this fact in the justification. However, this is a key amendment that introduced support for electrification, simplification of control procedures, revision of the sanction system and addresses further in detail the issue of tax deduction, an area that is significantly affected by the ongoing pandemic. Digitisation of the tax administration system is one of the state's priorities in this area. The key in this phase is the transfer of communication between tax entities and the tax administrator in an electronic form.

As early as July 1, 2009, a data box was introduced in the Czech Republic by Act No. 300/2008 Coll., on Electronic Acts and Authorised Conversion. Therefore, it is a special electronic repository set up for the purpose of delivering electronic documents between public authorities and natural persons, natural persons engaged in business and legal persons (Macková, 2009). Since 1 January 2010, data boxes can be used by natural and legal persons for the delivery of electronic documents

between themselves. The key is that the effects of proper delivery or fiction of delivery are also associated with the data box. The effect was, therefore, to speed up communication between public authorities and tax entities. On the other hand, when a document is sent by a taxable person via a data box, that act has the same effect as an act done in writing and signed. The circle of persons who are obliged to have a compulsory data box has gradually expanded to the current state, where to date every legal entity established by law, legal entity registered in the Commercial Register and organisational unit of a foreign legal entity registered in the Commercial Register must have a data box. Furthermore, lawyers, auditors, tax advisers, insolvency administrators, experts, court interpreters and translators, and finally, obviously, public authorities must have a data box as well. The Ministry will set up a data box for other entities free of charge at their request. Participation in this way is voluntary for these entities. In the future, it is envisaged that the obligation to have a data box will be extended to all entrepreneurs.

Let us now return to the issue of electronic communication with the tax administrator. As a large part of tax subjects are not obliged to have a data box, communication with them is conducted in the traditional way, by delivering printed documents. And this is where the amendment to the Tax Code, which introduces changes to the tax information box (Lichnovský et al., 2021), should play an important role. Previously, the tax information box was mainly used to view the file kept by the tax administrator. Currently, the tax identification box should also be used for communication between the tax administrator and the tax subject. After entering the protected login data, the tax entity may, for example, make a submission to the tax administrator, which will also be pre-filled in the form. Certainly, even now the establishment of a tax information box will remain optional, so the question is to what extent the subjects will use this method of communication. Previously, the tax information box was used mainly by professional tax consulting offices or large companies, which also had to have a data box

set up. But it is possible to evaluate this as a step in the right direction. The motivation of tax subjects to use tax information boxes could also help in this, as the deadline for submitting a tax return will be extended by one month for those who use this method of communication.

Other significant changes can be seen in control procedures (Lichnovský et al., 2021). The newly introduced changes are aimed at speeding up and streamlining tax control and the procedure for removing doubts. Thus, the COVID-19 pandemic is no longer an immediate reason for their implementation, but the effects of these changes will certainly be reflected in this as well. There is no obligation to discuss the tax audit before the end of the tax audit, when this hearing at the oral hearing, especially at the time of COVID-19, significantly extended the duration of the tax audit. On the other hand, it was one of a few ways in which the tax administrator could personally confront the disagreement about the conclusions of the tax audit and try to reverse the negative consequences associated with it. Obviously, the tax entity could still comment on its results before the end of the tax audit, but in my opinion, personal contact with the tax administrator should be maintained. The introduction of the possibility of returning the part of the excessive deduction for which there is no doubt before all control procedures are completed can also be perceived positively. This will help tax entities to address the issue of cash flow, as the state will not withhold their funds for an unreasonably long time.

While changes to individual tax laws were directly linked to the COVID-19 pandemic, direct link to changes to the Tax Code is not always obvious. However, we can still perceive their positive effects. It is important to state here that a large part of the changes or assistance to tax entities was of a temporary nature and was or is implemented through the above-mentioned decisions of the Minister of Finance. However, other changes introduced by the amendment to the Tax Code are essential for the tax process as such, and their consequences will only become apparent in the future.

## Direct and indirect support for employees and entrepreneurs

This chapter is not directly devoted to changes in existing tax laws, but to the tools that have been introduced in tax law to directly alleviate the situation for tax subjects and mitigate the negative effects of the COVID-19 pandemic.

A separate chapter provides for a compensatory bonus – a tax bonus to compensate for certain economic consequences related to health threats in connection with the detection of the coronavirus referred to as SARS CoV-2 or crisis measures taken due to this threat (Boháč, 2020). It was a direct support of self-employed persons, partners of a limited liability company in a company with a maximum of two members and persons performing work based on an employment agreement held outside the employment relationship. To put it simply, anyone who, due to health threats or established crisis measures, could not carry out their activities as usual, could claim the payment of this extraordinary bonus of CZK 500 or CZK 350 for each day from 12 March 2020 to 8 June 2020 (Karfíková, 2020), or, if the government so provides by regulation, in the period from 9 June 2020 to 31 August 2020.

The second wave of the pandemic in the Czech Republic brought with it the second issue of the compensation bonus. Again, it was CZK 500 per day, this time from 4 October 2020 to 4 November 2020, and if the state of emergency were to be extended, then until the state of emergency was ended. This was followed by a third compensatory bonus for 2021 in the amount of CZK 1,000 per day for the period from 1 February 2021 to 31 March 2021. The government was also allowed to set another bonus period from 1 April 2021 to 31 December 2021 and the compensation bonus was extended until the end of May 2021.

The settlement of compensation bonuses is administratively very simple and fast. All you have to do is fill out an online form, which can be sent electronically to the tax office (Karfíková, 2020). However, many people do not realise that, despite

the simplicity of the process, the basic condition must be met, and that is that the COVID-19 pandemic has somehow affected their lives and prevented them from carrying out their activities as usual. As it is a tax, it is subject to control procedures in the same way as any other tax. At present, therefore, the tax authorities carry out extensive checks on the eligibility of claims for compensation bonuses, and those who have applied for this bonus unjustifiably must return it and, in addition, face other sanction consequences.

If we consider taxes in a broader context (Hrubá Smržová et al., 2020), as any mandatory payment to the public budget, then this category also includes contributions to health insurance and social security. The legislator took a very accommodating step in this area with two acts, namely Act No. 134/2020 Coll., amending Act No. 592/1992 Coll., on general health insurance premiums, as amended, and Act No. 136/2020 Coll., on certain adjustments in the area of social security premiums and contributions to the state employment policy and pension insurance in connection with extraordinary measures during the epidemic in 2020, allowed the self-employed for the period from March 2020 to August 2020 not to pay advances on public health insurance premiums and pension insurance premiums and contributions to the state employment policy. These were not small amounts. The minimum premium for public health insurance was set at CZK 2,352, the minimum premium for pension insurance and the contribution to the state employment policy was set at CZK 2,544. In total, entrepreneurs could save up to CZK 29,376.

Employees who received a significant increase in wages were also affected by the abolition of the super-gross wage. Until 31 December 2020, the personal income tax was calculated in such a way that social and health insurance contributions were included in the basis of this tax. The basis for calculating income tax was thus artificially increased by 34%, which, with the tax rate unchanged, automatically led to an increase in tax liability. However, as of January 1, 2021, there was a change and the tax base is equal to the em-

ployee's gross salary, and thus to a lower set tax and higher net income. In addition, the amount of the taxpayer's discount also increased, from CZK 24,840 to CZK 27,840 per year in 2021, and even to CZK 30,840 per year from 2022.

To make the list complete, we must not forget the abolition of the tax on acquisition of immovable property with effect from 26 September 2020, mainly due to the simplification and clarity of the tax system (Radvan, Svobodová, 2021). Although this change was accepted by some with embarrassment, this change must be assessed as entirely positive, when the tax itself was dominated by negatives rather than positives.

Although all these changes were introduced to help taxpayers, we cannot shake the impression that the worst is yet to come. Just look at the fact that these changes have led to an unprecedented increase in public debt and the creation of state budget deficits up to five times. Thus, future governments will logically be pushed by the European Union, but mainly by national legislation, especially by Act No. 23/2017 Coll., on the rules of budgetary responsibility, as amended, to consolidate public finances (Kozielec, 2017). This means that they will either have to cut on the public expenditure side or collect more on the public revenue side. At the same time, tax revenues provide a substantial part of this public revenue and will probably need to be increased further.

Developments in tax law were very intense during the COVID-19 pandemic. Many of the changes were only temporary, but there were also major changes that will persist in the future. And even now it can be assumed that we will have other inevitable changes in the Czech Republic that have been postponed for several years, such as the reform of the retirement pension system or the adoption of new income tax legislation. In addition to the changes listed above, there have also been other partial changes, which we have not mentioned so far, for example, the increase in the amount of the deduction from the tax base for natural and legal persons in the case of a donation to support public benefit activities. However, the effects of this change will not be so significant.

## Other changes introduced during the COVID-19 pandemic

One of the interesting institutions for self-employed persons introduced during the COVID-19 pandemic is undoubtedly the introduction of the so-called flat tax. This is a new institution introduced into the Income Tax Act since 1 January 2021. The timing of the pandemic period is rather random. However, it cannot be ruled out that the COVID-19 pandemic helped to establish this institution more quickly. It was introduced by Act No. 540/2020 Coll. The aim of this regulation is to replace the current flat-rate tax assessment institution with a new flat-rate scheme (Pelc, 2021). This flat-rate scheme should be significantly more tax-friendly and reduce the administrative burden for taxpayers. It is introducing a single lump sum payment for income tax, social and health insurance in the total amount of CZK 5,469 per month for 2021 and CZK 5,994 per month for 2022. By making this payment, the taxpayer will fulfil his/her obligations to all authorities without having to file tax returns or related statements. Certainly, a flat tax is not for everyone, several conditions must be met. The taxpayer can only be a self-employed person who is not a VAT payer, is not a partner of a public company or a general partner of a limited partnership, insolvency proceedings have not been initiated against him or her, his/her income has not exceeded CZK 1,000,000, he/she is not employed and within the specified period (at the beginning of the year), notifies the tax administrator of the entry into the flat-rate scheme. In my opinion, this is a significant simplification of administration for entrepreneurs. Many conditions that need to be met for these purposes can be problematic. This tax does not have to be paid off by everyone who meets these conditions, but it is an interesting tool.

Another relief for entrepreneurs was brought about by the gradual suspension of electronic sales records during the COVID-19 pandemic, currently until 30 June 2022. Electronic sales records are a method of sales records where all payments

made are registered in the Central Repository of the Financial Administration to prevent tax evasion (Radvan, 2018, pp. 179–180). The obligation to keep electronic records of sales is gradually being extended to more and more taxpayers, however, during the COVID-19 pandemic, it was suspended and thus de facto postponed (Radvan, Svobodová, 2021).

As a result of the failure of tax revenues in municipalities and regions as self-governing units, there were also significant changes in transfers from the state budget to the budgets of municipalities and regions, so as not to paralyse their activities. Since 1 January 2021, based on an amendment to the Act on the Budget Determination of Taxes, there has been an increase in the shares of municipalities and regions in selected taxes.

## Conclusion

As can be seen from the presented text, tax law in the Czech Republic has been and still is undergoing a very dynamic development during the COVID-19 pandemic. Although it might seem at first that adopting changes, especially in tax law, will be a very difficult process, the opposite was true. The executive power made the most of the existing tools provided by law and began immediately to implement, through the institution of mass tax exemption, measures to mitigate the effects of the pandemic itself, at least in the beginning. Regarding changes in tax laws, the situation was somewhat more difficult, because the whole legislative process had to be implemented. But here, on the other hand, it helped that during the state of emergency it was possible to pass laws in a state of legislative emergency, so much faster than in the current state. An exceptional consensus also prevailed here between the ruling parties and the opposition when the opposition receded into the background and allowed the Czech government to enforce measures in the Parliament to mitigate the effects of the COVID-19 pandemic.

Thus, many changes were introduced in tax law, which in turn led to the drastic effects of the pandemic not being so drastic. In addition, most of these changes were of a long-term nature and will, therefore, benefit taxpayers even after the pandemic has subsided. Moreover, the COVID-19 pandemic itself has led to unprecedented pressure to develop electronic public administration, including tax administration. The benefits of the shift in this electronic and digitised public administration will clearly be assessed positively, especially over time.

Despite the above positives, however, one cannot get rid of the impression that after these changes, many people still have a taste that cannot just be rid of. What I mean is the state of the Czech Republic's debt, which before the outbreak of the COVID-19 pandemic at the turn of 2019/2020 was one of the winners in terms of this quantity. After all, in 2019 the amount of public debt was 30.3% of GDP. However, debt increased to 38.1% of GDP in 2020, and the state budget deficit and public debt ratio are still very high this year (Tyniecki, Kozieł, 2021). In the context of the above, the question remains whether, at the time of the pandemic, measures with a smaller impact on the state budget should not be introduced. Thus, more budgetary, even at the cost of making the effects of the pandemic on taxpayers more severe now. Only time will tell how much the current situation is still bearable. It is certain that we will not avoid further changes in tax law in the future. However, compared to the pandemic period, I am afraid that these will be the changes that will affect our wallets much more.

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- Act No. 586/1992 Coll., on income taxes, as amended.
- Act No. 16/1993 Coll., on road tax, as amended.
- Act No. 243/2020 Coll., on the budget determination of taxes, as amended.
- Act No. 353/2003 Coll., on excise taxes, as amended.
- Act No. 235/2004 Coll., on value added tax, as amended.
- Act No. 300/2008 Coll., on electronic acts and authorized conversion.
- Act No. 280/2009 Coll., The Tax Code, as amended.
- Act No. 164/2013 Coll., on international cooperation in tax administration and on amendments to other related acts, as amended.
- Act No. 23/2017 Coll., on the rules of budgetary responsibility, as amended.
- Act No. 134/2020 Coll., amending Act No. 592/1992 Coll., on general health insurance premiums, as amended.
- Act No. 136/2020 Coll., on certain adjustments in the area of social security premiums and contributions to the state employment policy and pension insurance in connection with extraordinary measures during the epidemic in 2020.
- Act No. 159/2020 Coll., on a compensatory bonus in connection with the crisis measures in connection with the occurrence of SARS CoV-2 coronavirus, as amended.
- Act No. 191/2020 Coll., on certain measures to mitigate the effects of the SARS CoV-2 coronavirus epidemic on persons involved in court proceedings, victims, victims of crime and legal persons, and Insolvency Act and the Code of Civil Procedure.
- Act No. 283/2020 Coll., which amends Act No. 280/2009 Coll., The Tax Code, as amended, and other related acts.
- Act No. 299/2020 Coll., which amends certain tax laws in connection with the occurrence of the coronavirus SARS CoV-2 and Act No. 159/2020 Coll., on a compensatory bonus in connection with the crisis measures in connection with the occurrence of SARS CoV-2 coronavirus, as amended.
- Act No. 540/2020 Coll., which amends 586/1992 Coll., on income taxes, as amended, and certain other acts in connection with flat-rate taxes.
- Act No. 94/2021 Coll., on emergency measures in the event of an epidemic of COVID-19 and on the amendment of some related acts.
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