

Information Systems of Tax Administration in the Czech Republic

Mgr. Bc. Libor Kyncl

Ph.D. Student, Department of Financial Law and National Economy

Faculty of Law, Masaryk University, Czech Republic

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Aim of the Presentation

- Analysis of existing Information Systems (IS) used by Tax Administration bodies of the Czech Republic
- Electronic Data Boxes (also IS) will be mentioned shortly but are not the main topic of analysis

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General Principle of Public Administration

- *public body is allowed to do only actions that are explicitly stated by the law*
- applicable to tax administration as a part of public administration
- information systems in public administration/tax administration bodies have to respect this rule

IS Usage in the Czech Tax Administration

- Some steps in IS/IT usage by Tax Administration in Czech Republic have been done
- Some internal processes electronical
- Receiving legal acts from tax subjects partly electronical
- Transferring information from tax administration to tax subjects partly electronical
- Huge progress in last 2 years

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Internal Management and Organization Information Systems

- VEMA
 - personal information system
- AVIS - Automated Internal Information System ("Automatizovaný vnitřní informační systém,,)
 - accountancy,
 - property management,
 - records on public budgets.

Budget Information Systems

■ ISPROFIN

- Information System of Program Financing ("Informační systém programového financování")

■ CEDR

- Central Register of Subsidies ("Centrální registr dotací")

Internal Tax System

■ ADIS

- Automated Tax System ("Automatizovaný daňový systém")
- Provides Taxes Records and Electronic File for Tax Administration
- an application of technical support for Tax Administration bodies, has modules executing various tasks used by various tax administrators.
- allows inputs from third persons taking part in tax procedure or committing auto-application (tax subjects).

Internal Customs System

■ IS CS

- Information System of Custom Administration ("Informační systém celní správy")

- own information system separated from administration of other taxes

■ e-Export System ("e-Vývoz,,)

- includes subsystems ECS a AES in eCustoms program created at the European Union level

■ e-Import System ("e-Dovoz,,)

- includes subsystem ICS in eCustoms program created at the European Union level

Internal Customs System

- SPD-EvVV
 - application used for transporting goods in the regime of temporary release from excise tax
- ME-SPD/DES – application for records and processing of tax actions regarding excise taxes
- Intrastat CZ
- pan-european IS of customs administration
 - TARIC
 - QUOTA)

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Electronic Application Making

- EPO system
 - Electronic Application Making ("Elektronické podávání")
 - website application with a set of web forms for actions towards tax administration bodies
 - using electronic signature with qualified certificate
 - module for ADIS system
 - not compatible with systems of customs administration (separate electronic actions making).

Electronic Application Making

■ EPO system

- tax information box that is a personal account of every person created upon application
- used by the person
 - for filing actions
 - for receiving information from tax administration (for example tax calendar)
- used only in minority of cases, but the number of actions increases gradually

Problems with electronic signature

- Problem up to 2005 – high prices of electronic signatures
- Prices decreased when forming of certificate authority PostSignum took place
 - run by Czech Post from 1st September 2005
 - current price of signature from this authority is only 190 CZK
 - from another authorities before it was for example 780 CZK – considered to be high price for non-entrepreneurs

Semi-electronic actions by tax subjects

- using Contact Point of the Public Administration - part of so called Czech POINTs network =
 - filling in the form for specific action on the internet +
 - obtaining ticket number (identifies your entered content) +
 - submitting this action officially at the Czech POINT +
 - enclosing documentary supplements
- Currently done using 602XML Filler software

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Cooperation with public registers

- Public registers cooperate with tax administration in classic documentary form
- = a cooperation of third parties - not a part of information systems of tax administration.
 - Commercial Register,
 - Land Register,
 - Trade Register,
 - Central Residential Register.

Cooperation with public registers

- The best way – to transfer all data electronically – not allowed by currently effective legal regulation – except enumerative cases
- Acts' amendments being prepared – will allow majority of state's data to be transformed to electronic form and transferred electronically furthermore – Ministry of Interior legislative efforts

Registers operated by the Ministry of Finance

- Register of VAT Payors
- Register of Excise Taxes Payors
- ARES
 - Administrative Register of Economic Subjects
 - publishes on WWW information on physical persons and corporations executing entrepreneurial and similar activities in the Czech Republic
 - provides links to information on these subjects in another information systems of public administration (Commercial Register, Payors' Registers – VAT, Excise Taxes, Trade Register - "živnostenský rejstřík").

Free Access to Information

- Tax administration bodies including Ministry of Finance are obliged under Act No. 106/1999 Sb. on Free Access to Information to publish general information on their activities
- The same principle as for any public administration bodies
- At the same time tax administration bodies are bound by the non-disclosure duty

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Electronic Data Boxes

- Recent legislative change – Act No. 300/2008 Sb. on Electronic Actions and Authorized Document Conversion
 - Will become legally effective from 1st July 2009
 - Will allow
 - the existence of electronic data boxes
 - the cooperation between some state's information systems and public bodies on electronic basis
 - specific regulations for automatic interconnection of one public register to others were not adopted yet!

Electronic Data Box

- = space that allows the delivery of authorized official documents to physical and juridical persons
- = is able to store documents and track a document's readings
- - bodies of state and other public bodies will also be holders of electronic data boxes – obligatory holders – created ex offio (including tax administration bodies)
- - other person may be optional holders of electronic data box – upon request

Delivery to Electronic Data Box

- If person does not have electronic data box => classic official delivery – courier or postal service
- If person has electronic data box => decisions are delivered to electronic data box
- Person may choose to forward its delivered decisions to his/her mail – optional
- Content delivered to electronic data box should be protected from viewing by administrators of EDB information system
- For any kind of procedure (including taxes and customs)

Non-delivery Interactions with Electronic Data Box

- Content may be officially converted to the electronic data box upon request or from the box
 - scanning of official documents (authorized original version of the document created)
 - accessible at CzechPOINT offices
 - printing of official documents in electronic data box (also authorized original version of the document created)

Existing electronic interconnections

- Information system of electronic data boxes receives data from Central Residential Register
- One state body sending data message to other state body – in the IS of electronic data boxes (from 1st July 2009)
- Problem: before interconnections begin to work automatically (system-system) still there will have to be administrative worker that places administrative decision into data message and sends data message

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Short-term future challenges

- Start of using electronic data boxes on 1st July 2009
- Adding tax applications to CzechPOINT infrastructure of semi-electronic filing – is not clear whether it is planned but it would be advisable
- Solving mutual incompatibility between information systems of financial bodies and customs bodies

Long-term future challenges

- Expanding the number of lifetime situations solved by electronic actions
- Mass transfer of data between state agencies only in electronic form
- Complete conversion of official documents into electronic documents
- Customizability of physical person and corporation's accounts in IS – including pre-filled information that is submitted over and over...

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Conclusion



- Information systems of tax administration bodies in Czech republic are very numerous
- But they are not used as often as it would seem by their number, especially externally to physical and juridical persons
- Basic steps of improving legislation and starting reforms have been made
- A lot of work remains!

Thank you for your attention!

Libor Kyncl

libor.kyncl@law.muni.cz