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## Remission of the tax additions

### Instruction D - 330

Coming into effect as of 1 November 2009, the Ministry of Finance has published the instruction D-330, which governs the process of deciding about remission of tax additions (i.e. penalties, tax increase, costs of tax proceeding, interests and fines) due to the severity of the system. This instruction replaces the previous instruction, D-319, and expresses the efforts of the Ministry of Finance of the Czech Republic to financial authorities discretion from being misused.

#### 1. When is it possible to remit the tax additions due to the severity

The tax administrator may remit the tax additions, due to the severity of the system, especially in the case of interpretative ambiguity of tax laws, taxpayer errors in the initial payment of taxes, insolvency not caused by the tax debtor, natural disaster disability, bad health, and also in the case of retrospective entitlement for retirement or a disability pension.

#### 2. When is not possible to remit the tax additions due to the severity

If the tax to which the additions belong to has not been fully paid or the payment of such tax has not been made voluntarily, but it was executively enforced, it is not possible to remit the tax additions due to the severity. The remission will not be possible if the tax payment was made by the guarantor, but the remission is requested by the original debtor, and also if the concerned debtor is in the liquidation or filed a bankruptcy.

#### 3. What does the tax administrator take into account when deciding about remission of the tax additions

The facts that tax administrator can take into account when deciding about the remission of the tax additions, can be an existence of a particular debt towards tax administrator, the level of cooperation in fulfillment of non-monetary obligations, or whether identified reasons of additionally assessed tax intentionally conceal the facts.

In order to increase the transparency and objectivity in the process of deciding about remission of the tax additions due to the severity, the Ministry of Finance of the Czech Republic introduces by this instruction the obligation to justify these decisions, even if the current legislation does not specifically require it.

