



**XXI. ročník mezinárodní odborné konference**

# **TEORETICKÉ A PRAKTICKÉ ASPEKTY VEŘEJNÝCH FINANČÍ**

**Vysoká škola ekonomická v Praze  
Fakulta financí a účetnictví**

**15. – 16. dubna 2016**

originální daňová sazba, efektivní průměrná daňová sazba, spotřební daň, ekologické daně, daň ze zemního plynu, daň z pevných paliv, daň z přidané hodnoty, Evropská unie, sazba daně, politika, vládní uskupení, volební program, daňový systém, daňový klus, daně z příjmů, sociální pojištění, Reforma veřejných financí, veřejné rozpočty, daňové zatížení, mzda, superhrubá mzda, Převodní ceny, spojené země, daňový misionář, závislý agent, princip tržního odstupu, daňový mix, daňová politika EU, sazby daní, daň z nemovitostí, daň ze staveb, daň z pozemků, daň z příjmů, daň z příjmu, daňový koeficient, osvobození od daně, fiskální decentralizace, daňová reforma, daňové zatížení, daň z příjmů fyzických osob, průměrná mzda, veřejné služby, tax system, tax rates, přeshraniční zápočty ztrát, domácí zápočty, konsolidace, správa místních daní, místny poplatok, územná samospráva, daňové príjmy, všeobecne záväzné nariadenie, vzdelávaní daných

ováci, ekologické, logické, mezinárodní, no zabírají, systém, ry spojující, prioritní, tový s, ých z, , obn, itární, progra, zdra

ctve, platba za výkon, platba za případ, kapitácia, mzda, efektivní, meňovanie, zdravotníctvo, mzdy, veřejné výdaje, evaluace veřejných výdajů, plánování, odvětví obrany, resort, perspektivní plánování, investice, transparentnost, alokácia; higher education; returns to education, es educational policy reform, primary balance, public debt, panel discussion, fiskální decentralizace, meziregionální rovnost, fiskální redistribuce, zápočty územní samosprávy, sdílení daní, dotace, decentralizácia, veřejná správa, fiškálna decentralizácia, miera decentralizácie, rozpočet samosprávného kraja, VÚC, fiškálna politika, malé obce, podnikání, výše, struktura, variabilita příjmy z daní, veřejné výdaje, incidence veřejných výdajů, rozpočtové určení daní, hospodaření obcí, velikost veřejných výdajů, rozpočtové určení daní, dotace měst a obcí, podnikání, ajů, samostatná působnost, přenesené kompetence, zdravotnické účty, finanční spravedlnost, ekonomy, příjmy, výdaje, rozpočet, daňové pojištění, důchodové ojištění, nemovitost, lidských důchodů ve starobní, investice, návratnost investice do vzdělání, podnikání, enterprise, third sector, cooperatives, foundations, associations, služba, finanční právo, veřejné finance, finanční soustava, Lafferova křivka, ekonomie strany nabídky, prohibitivní zóna, efektivnost, administrativní výdaje, klady, lidský kapitál, úspory, investice, spravedlnost, zdraví, zdra



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Vysoká škola ekonomická v Praze  
Fakulta financí a účetnictví

# **Teoretické a praktické aspekty veřejných financí**

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## Editorial

Dear readers,

In April the Department of Public Finance organizes the International Conference "**Theoretical and Practical Aspects of Public Finance**". Its Scientific and Organising Committees and Department of Public Finance of the University of Economics in Prague successfully invites to Prague outstanding scientists and in other spheres functioning people.

The Conference became this way not only regular event for Czech scientists but also the opportunity for creation of contacts with academics, other scientists, civil servants and other experts for the exchange of experience in broader extent.

We would like to heartily invite you to this Conference and we wish you a nice stay in Prague.

On behalf of the Scientific and Organising Committees and Department of Public Finance of the University of Economics in Prague,



*Květa Kubátová,*

*Chair of the Conference Scientific Committee*

**Vědecký výbor konference:**

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# Abstracts

## ***Eduard Bakoš, Daniel Němec***

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### **Alternative Models of Tax Assignment to Municipal Level**

The paper identifies the factors which influence tax sharing in the Czech Republic. The determinants of tax sharing are described. We simulate the alternative models of tax sharing in the Czech Republic using the full sample of Czech municipalities between years 2010-2014. The impact of alternative parametrisation is evaluated using the Gini coefficients. The key determinants are population size, the number and size classes of municipalities and coefficient that adjusts multiple gradual transitions. We compare the different models of tax sharing and conclude that the change in year 2013 (which came into force) contribute to equality of tax revenue sharing per capita.

Key words: tax sharing, tax revenues, local government, Gini coefficient

Jel: H71, H77, R51

## **Ondřej Bayer**

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### **Tax of estimates for the Czech Republic -, modeling with short time series**

The aim of this paper is to describe problems of modeling tax revenues with relatively small number of observations. For, test the issue were used data for the Czech Republic from 1997 to 2003 for construction of economic models with small time series. Models were created for the total tax revenue, tax on personal income, corporate income tax and value added tax. The method used for the creation of econometric models was multiple regression analysis. The paper is focused on dedscribing linear multiple regression analysis methodology with emphasis on the issue of statistical tests and theirs treatments for the small number of observations. The first section deals with the graphical analysis of selected variables. The second part is dedicated to the methodical description of the multiple regression analysis and evaluation of current statistical tests of the length of the input time series. The last section is devoted to the evaluation of models and a brief conclusion.

Key words: Forecasting, regression analysis, tax revenue

Jel: H20

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## **Zoological gardens in the Czech Republic and Slovakia from the view of technical efficiency and productivity.**

This contribution evaluate technical efficiency and productivity of all zoological gardens operating in the territory of The Czech Republic and Slovakia that are members of Union of Czech and Slovakia zoos (UCSZOO), and have license to operate the zoo and are established in the legal form of contributory organization. The aim of this contribution is to evaluate these zoos from the view of level of technical efficiency and technical productivity. The technical efficiency is evaluated by the DEA method, in years 2006-2014. Than the technical productivity is evaluated, in the same period, by Malmquist index, which can be used for evaluation of efficiency of production units with multiple inputs and outputs and which allows the evaluating of the relative efficiency of selected zoos to the others of the group. Based on the results of DEA method is an output of technical efficiency the finding that, the best results, in the selected period in the territory of the Czech republic, are in the zoo in Dečín, in Prague and in Zlín and zoo in Spišská Nová Ves in Slovakia. In terms of technical productivity the zoos in Děčín, Vyškov, Plzeň, Ostrava and Hodonín improved in the Czech Republic between 2006 and 2014 and zoo Spišská Nová Ves in Slovakia. It was found out the stagnation or deterioration of technical productivity in selected term by the rest of zoos in the selected period.

Key words: Contributory organization, Zoological garden, DEA, Malmquist index, Czech Republic, Slovakia

Jel: H 39, H 76, L 31, L 83, P 35, Z 18

## ***Kornélia Beličková***

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## ***Matej Boór***

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### **The role of state budget in environmental protection: The case of European union countries**

To environmental protection begins to pay more and more attention and many countries are beginning to recognize the link between quality of life and socio-economic development and good life environment. This paper deals with the issue of environmental protection based on the roles and functions of the state budget in its provision. Budgetary theory, which attributes to the state budget the role of protector of the environment is also called environmental or ecological budgetary theory. We pay special attention to the various types and forms of economic instruments in budgetary theory of the environmental protection and environmental policy. In the second part of the article we deal with trends in the growth or fall in the use of economic instruments in environmental policy and de facto budgetary theory of environmental protection in the budgetary process itself. Based on statistics collected by Eurostat and OECD institutions, we can claim that the use of the current budgetary theory has increasing trend, its significance is growing, and we expect a greater use of its applications in future periods.

Key words: budgetary theory, environmental protection, environmental policy, ecological taxes

Jel: H23, H61, O13, Q58, Q50

***Nad'a Blahová***

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## **National Debt and Risks Associated with Sovereign Exposures**

This paper deals with national debt and its holding in banks' balance sheets. It explains where the risk of sovereign exposures for banks occurs, analyses the situation of banking sector in terms of ratio of government bonds to total assets in the Czech Republic and compares it to the euro area average and to the situation of V4 and Austria. It elaborates mutual connections between banking sector and government sector. It describes banks as the biggest creditors of government sector, traders and market makers with government bonds, it points to the government bonds in a role of collateral. It depicts a process of assistance to banks by the country and analyzes the banks' motivation for holding national debt due to regulation reasons. It explains the principles of public finance stress tests, construction of sovereign risk indicator and an impact on assessment of bank portfolio excessive concentration risk.

Key words: national debt, government bonds, banks, sovereign risk

Jel:

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## **Impact of shared taxes on the financial situation of Slovak, municipalities**

The aim of paper is to analyze the impact of shared taxes on the financial situation of Slovak municipalities in the period 2010-2014. The impact of shared taxes on municipalities and cities of Ilava district will be analyzed on the basis of two selected indicators – financial autonomy and financial strength and their modified versions. This provides a space for comparison of individual values. Development trends of selected indicators and the derivative effect of shared taxes on the financial situation of towns and municipalities will be then examined.

Key words: shared tax, municipalities, financial autonomy, financial strength

Jel: H21, H71, H77



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## **Performance of the Czech Health System: An International Comparison with Health Systems of Four Neighboring Countries**

The objective of this study is to evaluate performance of the Czech health system in a comparison with national health systems of neighboring countries: Austria, Germany, Poland, and Slovakia. We can assume that these countries of Central Europe share similar social, economic, and cultural characteristics. An important question for the Czech health policy makers as well as health researchers is how to improve the Czech health system to the level of the Western Europe. One way for an improvement is to compare the Czech health system with health systems of the countries with similar characteristics: why is my neighbor able to provide health services better than me? The health system performance of these countries is evaluated by six different measures and by the data envelopment analysis model. In spite of the fact that methodologies and time periods differ, we may observe very similar findings: better results for Austrian and German health systems in comparison to Czech, Slovak, and Polish health system.

Key words: health system performance, DEA, Czech Republic

Jel: H51, I11

## ***Savina Finardi***

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### **Remarks upon Estimating the Tax Gap of Individuals**

The aim of this article is to explain present methods of estimation tax gap of individuals in the Czech Republic. Article deals with all relevant methods quoted in present economic literature. Except for standard methods there are used some new comparison approaches using micro and macroeconomic features of the Czech economy.

Key words: tax gap, personal income tax, tax evasion

Jel: H26

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**Petr David**

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## **The influence of parliamentary elections on the tax structure in the EU countries**

The paper deals with the political business cycle. Within the analysis, the influence of the term of parliamentary elections on the tax structure (direct versus indirect taxes) was examined. We used panel data regression analysis, namely fixed effects method with robust option and tested whether there is any relationship between tax structure and date of elections. The analysis involves panel data of tax revenues divided to GDP from all EU member States on timeline from 1996 to 2014. Our model contains 532 observations. Based on received results, the political business cycle has a slight effect on indirect and direct tax revenues. In election years we identified a decrease of direct tax revenues by 0.97%, in case of indirect tax revenues it is a decrease by 0.80%. Furthermore, we did not identify any influence of the timing of elections during calendar year, any post-election effects or any definite relationship between PCB and economic growth in observed timeline.

Key words: tax structure, direct taxes, indirect taxes, parliamentary election,

Jel: D72, E62, H20

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## **Cost-Effectiveness Analysis of Teaching Hospitals in the Czech Republic**

The paper deals with the cost-effectiveness of teaching hospitals in the Czech Republic between the years 2004 - 2013. Cost-effectiveness is evaluated by using indicators based on teaching hospitals accounting data acquired from the Ministry of Finance databases. These data were subsequently converted into performance indicators. The aim is to analyse the cost-effectiveness of teaching hospitals and to find out differences among them.

Key words: Teaching Hospitals, Effectiveness, CEA

Jel: I10

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### **Finanční právo a některé netradiční zdroje při jeho výuce na českých vysokých školách**

Finanční právo a jeho postavení v systému práva. Nárůst akcentu na rozšíření jeho výuky a častá protichůdnost tohoto objektivního trendu a současné praxe. Otázka atraktivity finančního práva z hlediska studentů i přednášejících. Rozšiřování dosavadních klasických forem výuky o některé další inovace jako příspěvek k prohloubení finanční gramotnosti obyvatelstva. Některá navrhovaná řešení a jejich konfrontace se zkušenostmi z pedagogické praxe. Dostatek hodnotných učebních textů jako přetrvávající problém materiálních předpokladů výuky finančního práva.

Key words: Finance, finanční právo, metody a přístupy k výuce finančního práva, literární a jiné zdroje poznání fungování finančních vztahů, právní regulace finančních vztahů, materiální předpoklady kvalitní výuky finančního práva, personální faktor.

Financial law and its status in the legal systém. Growing emphasis on extension its education and frequent counterfactuality of this objective trend and current praxis. The question of financial law attractiveness from students' and lecturers perspective. Extending the present classical forms of education towards some other innovations as the contribution to improving financial literacy within the population. Some of the proposed solutions and their confrontation with experience from pedagogical praxis. Valuable teaching materials in sufficient quantities as persistent problem of material presumptions of education in financial law.

Keywords: Finance, financial law, methods and approaches to financial law education, literary and other sources of knowledge of financial relations functioning, legal regulation of the financial relations, material presumptions of high-quality in financial law, staff factor.

Jel: K19

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# **Identification of Basic Trends in Public Expenditures, of Environmental Protection in the Czech Republic**

Volume, structure and dynamics of growth of public expenditures on environmental protection correspond to the aims and objectives of the State Environmental Policy. Expenditures on environmental protection from public budgets are an important indicator of the level of environmental protection, not separately, but together with other instruments of environmental protection. The most significant central source of the funds is coming from the state budget, state funds through the State Environmental Fund of the Czech Republic and the defunct National Property Fund. The aim of this paper is to analyze central public expenditure on environmental protection in the Czech Republic, including a prediction for two years. In connection with the analysis of the structure of expenditure on environmental protection will be outlined the tendencies observed in development. There are the main trends observed in the development and forecast for 2 years.

Key words: environmental protection, State Environmental Fund CR, state budget, public expenditure, old environmental damages.

Jel: Q50, Q56, H23

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# **Performance of health systems – the evaluation of selected indicators at the level states of the Visegrad Group**

The term "performance" is constantly used especially in the field of business economics, but no less important role this term plays also in the public sector. It is not easy to define the performance, especially in the health markets. This paper is devoted selected approaches to evaluation of the performance of health systems. Specifically, the paper is focused on the evaluation of the performance of health systems, according to the methodology of World Health Organization at the level of "better health". The paper compares the performance of health systems in states of the Visegrad Group."

Key words: performance, evaluation, indicators, health systems, health, public policy

Jel: H75, H83, I10, I150, I180, 057

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### **Preferential treatment for families with children in the pension insurance system**

Currently, as a response to declining birth rates, the Czech government is seeking measures for the support of families with children through the tax and social security systems. One of the proposals that this paper analyses consists of a specific proposal put forward by the Expert Commission for Pension Reform and a modified proposal from the Ministry for Labour and Social Affairs (MLSA) consisting of the determination of different levels of pension insurance contributions depending on the number of children raised. The paper presents a thorough analysis of these proposals from both the micro-economic and macro-economic perspectives, and considers them in the context of the current theory of pension systems. On the basis of the analysis performed, it was concluded that the proposed measure is, in relation to the objectives which it purports to fulfil, i.e. support for families with children, both inappropriate and inconsistent and, indeed, results in only marginal effects for families with children, does not include all types of family coexistence and that, in the context of current tax and social policies, more suitable measures exist that would lead to the achievement of the targets.

Key words: non-contributory periods, old-age pension, social contributions, family policy

Jel: H55, J26, G22



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## **Nástin využití neuronových sítí v oblasti veřejných financí**

Neural networks are machine learning method for processing data and with still increasing performance of modern IT tools can provide additional methods for explaining correlations among variables. This text introduces and describes feed forward neural network learned by supervised method of gradient descent with error backpropagation. Some possible data projects are introduced and also concrete example on time series analysis on social contributions is introduced and described introducing some possibilities of neural networks toolkit.

Key words: neural network, social contributions, machine learning

Jel:

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### **Power of decision-making: Density & Economy**

The greater the impacts of our decisions, the greater the importance of the quality of our decisions. In the city governance impacts of decisions made by decision-makers are enormous. This paper describes the results of our preliminary research focused on the relationship between population density and building and running costs of the city. Our attention is directed at the level of city blocks. We consider three types of buildings – atrium blocks, row houses and single houses. The main aim of this article is to compare building and running costs of public spaces and the number of inhabitants using these public spaces. The beginning is devoted also to the embedding of this issue more deeply into the field of evolution of complex systems and the key role of human decisions in this process.

Key words: density, city, economy, decision-making, structure

Jel:

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## **Economic and institutional determinants of regional investment attractiveness and their impact on FDI inflows**

The paper is focused on analyses of countries' investment attractiveness criteria based on correlation between FDI inward stock levels and parameters of countries' competitiveness and business environment characteristics. The evaluation is done for the top-10 leading FDI countries worldwide. The results show that market size, legal and political environment have a high impact on attractiveness for FDI, while administrative parameters are characterized by low influence.

Key words: FDI, investment attractiveness, investment climate, IFRS

Jel: E22, F21, M41

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## **General governments in the pre-crisis and the crisis periods**

In the paper we analyse some aspects of the general government behaviour during the pre-crisis period (1995-2007) and the crisis period (2008-2013) in the homogenous sample of 10 member States of the eurozone. The general governments have tried to boost aggregate demand directly through increases in final consumption expenditure especially in the year 2009. Panel analysis has discovered a positive relationship between balance sheets (net borrowing and net saving) and economic activity especially during the crisis period. The increasing indebtedness of the general government has been a price for countercyclical fiscal policy.

Key words: general government, final consumption expenditure, net borrowing, net saving, panel analysis

Jel: H3, D9, E6

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# **An Estimation of Impact of Population Aging on Public Finance in the Czech Republic: A Case Study on Volunteering in Fire Service in the Pardubice Region**

Both fire protection and fire service are considered as traditional state functions under public interest. Besides, fire service is considered to be economic good provided not only by state, public sectors and municipalities or communities but by career and volunteering fire fighters as well. In general, volunteers have substantial significance for cost of fire service in the Czech Republic due to fact that they participate in fire service as altruists and often without any claim on remuneration. The Czech Republic has come to the phase of population aging; thus there is an expectation of declining of volunteering in fire service due to overaged fire service units not able to meet requirements for service as fight fighters. In such a case, the unit would be substituted by fire fighters serving as state employees. This article, as a case study for the Pardubice region, deals with an impact of population aging on public finance when volunteering fire fighters would be substituted by Fire Rescue Service of the Czech Republic. The study proved that impact of population aging on public finance in the area of fire protection would be expected as really tiny.

Key words: fire service, volunteering, public spending, population aging

Jel: J18, H41, H59, H61, R58

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## **Examining the Interdependencies between Leverage and Capital Ratios in the CEE Banking Sector**

In this paper we discuss the implications of the Basel III requirements on the leverage ratio for the banking sector in the Central and Eastern Europe (CEE) and particularly in the Czech Republic. In the empirical study, we applied a data sample of 198 major banks operating in seven countries across the CEE region over the period 2007-2014. The data of the Czech banking sector confirms stronger capital ratios and an overall solid leverage level with only few historical observations being lower than the regulatory guidelines. By analyzing the components of ratios, we conclude that the Czech banks during the last seven years are focusing more on the optimization of risk weighted assets and structuring portfolios with lower risks. We propose an empirical model that allows to test how the leverage ratios and its variables respond to the changes in the cycle. Our analysis across financial institutions in the CEE region shows that the leverage in normal times is strongly related to capital ratio. The statistic evidences on the risk profile and strategy as measured by risk proxy in the model are pointing out on incentives of the banks to manage actively their balance sheet and reduce the riskiness of their portfolios in adverse economic conditions.

Key words: Leverage ratio, capital ratio, Basel III, Czech Republic, CEE

Jel: G32, G21

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## **Assessing the local municipal default probability: The case of Portuguese economic adjustment**

This paper investigates whether the economic adjustment program and post-program surveillance contributed positively to the structural recovery of the Portuguese economy. This examination was conducted observing evidences related to several objectives included in the programs and on a sample of data collected from local defaulted and non-defaulted municipalities. Our results confirm that the financial aid provided by EC, ECB, and IMF had a small impact on the internal economic adjustment. There is a residual positive impact from the implemented reforms to promote growth, jobs, public debt, deficit, and stability of the country's financial sector. The evidence is revealed by the measurement of the key program achievements and by the discovered indicators about the current high default probabilities of a large number of local municipalities.

Key words: public finance, municipalities, default, international aid

Jel: E6, G28, O11

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## **Pay-for-performance: a new reimbursement mechanism in the Czech Republic? Method of quality management in healthcare, its possibilities and limitations on the example of the United Kingdom**

This paper deals with the Pay-for-performance reimbursement method designed on the basis of monitoring and remunerating for the quality of care. Its functioning is described on the case of Great Britain, where it has been successfully implemented since 2004. This article examines the layout and the system processes, as well as its goals and achievements. The voluntary QOF program is widely used by British GPs and has led to a wider adherence and interconnection of electronic medical records and the primary care General Practitioners' wages. The impacts on health outcomes are ambiguous. We examine further some possibilities of introducing the P4P in the Czech Republic.

Key words: Pay-for-performance, quality of care, reimbursement mechanism, Great Britain, chronic disease

Jel: I13



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## **Fiscal reaction function with fiscal decentralization variable**

The paper deals with fiscal behavior of EU countries within the period of 1995 to 2014. The responsiveness of primary balance and primary expenditure to several variables is analyzed using panel data. The main focus is on the fiscal decentralization effect on the fiscal behavior of general government with the main hypothesis that the lower fiscal decentralization (higher centralization) allows the central government to exert more control over the general government budget and therefore enables to enforce fiscal sustainability. The results suggest that the fiscal decentralization might have adverse effects on the responsiveness of general government primary balances in terms of revenue and tax decentralization, while the expenditure decentralization might have positive effect on the ability to adjust primary expenditure.

Key words: fiscal reaction function, primary government balance, primary government expenditure, fiscal decentralization, European Union

Jel: E62, H62, H72

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### **Administrative burden of procurement under the new Public Procurement Act**

Experience shows that excessive administrative complexity of the process (in this case, public procurement) ignores the purpose of this process and leads to an emphasis on the formality of the process itself and in extreme cases up to the collapse of the system. Bring less formality procurement for contracting authorities was one of the purposes of the adoption of new directives on public procurement, which after years of debate have been approved in the European Union. It is a Directive of the European Parliament and Council Directive 2014/24 / EU of 26 February 2014 on public procurement and repealing Directive 2004/18 / EC Directive of the European Parliament and Council Directive 2014/25 / EU of 26 February 2014 on the procurement entities operating in the water, energy, transport and postal services and repealing Directive 2004/17 / EC Directive of the European Parliament and Council Directive 2014/23 / EU of 26 February 2014 on the granting of concessions. These guidelines go against the policy of the Czech Republic in the field of public procurement within the framework of the so-called. Transparent amendment essentially formalized procurement system from 1. 4. 2012. Analysis of the administrative requirements of the procurement process, according to the Law no. 137/20016 Coll. on public procurement, and the new law on public procurement approved by the Chamber of Deputies is the subject of this article. The author focuses on time-consuming procurement and other relevant aspects.

Key words: new procurement law, procurement directives, the Czech Republic, administrative burden, duration of procurement process

Jel: H57

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### **Employees' and self-employed persons' pension replacement rates in the Czech Republic – new findings from the new dataset**

The topical issue within the pension system in the Czech Republic is the level of coverage the self-employed persons which reported the lifetime income near the level of minimal basis. We estimate the standard measures of pension system efficiency (replacement rates, lifetime benefit/contribution index) using the unique dataset of Assessment Base for Pension Insurance to shed the light on this problem. It can be sum up that the income distribution of self-employed persons is highly concentrated with the peak at the profit level which corresponds with the minimal base for pension contribution. This profit level is approx. 66 % of median wage and 50 % of average wage in 2012. Due to the high degree of the Czech pension system progressivity, the general result is that the self-employed persons are better off in comparisons with the employees if we concentrate on relative measures, but worst off if we concentrate on nominal measures. The nominal pension for self-employed persons reporting the minimal base is CZK 7 631 with the comparison of CZK 12 471 (11 702) for the average (median) wage.

Key words: Income distribution, employee, self-employed persons, pensions, replacement rate, redistribution, progressivity, lifetime incidence

Jel: D3, D63, E24, J2,, H23, H55

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## **Characteristics of aging population in Europe and Israel, and its relationship to health care utilization and supplementary health insurance.**

Aging of population in developed countries transforms current societies and impacts various sectors, including health care. Gap between life expectancy and health life expectancy is considerable in many countries. Understanding the key aspects of aging and developing proper health policy is essential to address the possible future challenges. The Survey of Health, Ageing and Retirement in Europe (SHARE) provides unique opportunity to explore in more detail behavior and habits of the elderly population. This study analyzes the sample (n=65 269) demographics as well as health care utilization across the countries. The study also provides insight about relationship between supplementary health insurance and selected study sample characteristics.,

Key words: SHARE project, health care, utilization, aging

Jel:

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# **Analysis of the Dependence of Corporate Tax in Relation to the Tax Depreciation of Fixed Tangible Assets**

The article deals with evaluation of dependence of corporate income tax rate to selected indicators of depreciation of fixed tangible assets in the Czech Republic and in the neighbouring countries. The examined indicators are the shortest possible period of tax depreciation and the price limit for classifying assets as the fixed assets., The aim of this article is to determine by using selected method whether there is dependence among these indicators. In a transnational context between individual countries there exist the tax depreciation variations that cause differences in the construction of the tax base. The possible implementation of the Common Consolidated Corporate Tax Base (CCCTB) can eliminate these disparities, since the proposed CCCTB Directive deals, inter alia, with the possible rules and methods of tax depreciation. The authors used the methods of correlation analysis, analysis and comparison.,

Key words: depreciation, correlation analysis, corporate tax, tax rate.

Jel: C40, H25, M41

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### **Volatility of growth of public expenditures on education and its impact on economic growth**

The goal of this paper is to analyze whether a volatility of growth of public expenditures on education negatively influences economic growth. The analysis is done on new data for years 1995 – 2014 with cross-country regression on selected EU countries. This method revealed that aforementioned hypothesis is valid, and that variance of these expenditures inhibits growth of GDP. Therefore I suggest restrictions on random and short-term expenditures and recommend, contrariwise, long-term strategy and in advance planned changes in expenditures.

Key words: cross-country regression, economic growth, education, EU, volatility.

Jel: H52, I25

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### **CCCTB formula apportionment:, The evidence from different economic sectors**

The allocation formula for the distribution of Common Consolidated Corporate Tax Base (CCCTB) contains three equally weighted factors, which are considered as the most accurate to reflect the profit generation process. The question in the stake is the suitability of this allocation formula for individual economic sectors. The paper analyses the ability of the allocation formula to assign the same proportion of the profit to individual economic sector in the CCCTB system as allocated under the current system of separate accounting from the perspective of the Czech Republic. Based on the performed analysis the formula apportion seems to be adequate measurement of profit generation for 7 of 19 considered economic sectors, while for 4 of them do not. The remaining economic sector suffer slight change in the assigned share on overall tax base under the CCCTB system.

Key words: Common Consolidated Corporate Tax Base, Formula Apportionment, Distribution, And Economic Sector.

Jel: F23, H25, K34

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## **Classification of Tax Systems of European Union Countries according to Tax Mix in 2012**

The paper deals with the typology – classification – of tax systems of 28 member countries of the EU in 2012 by applying variables of the tax quota and tax mix (shares of particular taxes in GDP). It is the first article of this kind because other similar typologies focused either on the OECD countries or on the Eurozone. The Eurostat data about 10 variables of shares of tax revenues in GDP is used and after applying the cluster analysis, 5 typical tax structures were found out. Nevertheless, the general opinion that 15 original EU countries have a different tax structure than new member countries (post-communist countries) was not confirmed.

Key words: tax systems in EU, classification of tax systems, tax mix in EU countries, tax clusters

Jel: H20



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### **Effects of population aging on health expenditure**

The key factor influencing health care expenditure is the age structure of the population. The impact of aging is likely to increase in the coming years. The aim of the paper is to estimate the health care expenditure in the Czech Republic until 2100. These estimates are based on the demographic projections taking into account the gender and the growth of the share of health care expenditures in GDP based on the development in the Czech Republic so far.

Key words: public expenditures, health care, aging of population

Jel: I19

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## **Application of $\alpha$ -Stable Distribution on Czech Financial Market**

In this, paper it is examined the most appropriate probabilistic distribution that approximates log-return of Czech PX stock index on daily data. It turned out that the normal distribution is not appropriate , it was rejected by the Kolmogorov-Smirnov and, Anderson-Darling test. Student-t distribution passed KS the test but it was refused by AD test. Stable distribution (with tail index  $\alpha=1.81$ ) get by, both tests, and emerges as the best approximation (of the considered distributions) of empirical distribution PX index

Key words: stable distribution,  $\alpha$ -parameter, fat tails, quantile methods.

Jel: G10, G120

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### **Environmental taxes in Germany**

Environmental taxes were implemented in 2003. The official document name Directive 2003/96/ES. But this Directive is in the present time out of date. The main goal of this paper is evaluate these taxes in Germany. Environmental taxes are compared with environmental taxes in the Czech Republic. The paper compared the tax rates in the both states. The paper has got three parts. In the first part there are analyzed environmental taxes in the interpretation more authors. In the second part there is describing directive of energy taxation. Environmental taxes in Germany and compare with environmental taxes in the Czech Republic are analyzed in the part three.

Key words: environmental taxes, tax revenues, tax rates

Jel: H23, H22

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## **Administrative costs of local fees., Case study of the South Moravian Region**

Local fees represent independent agenda of municipalities in which they have so called revenue autonomy. They decide on fees, rates, and taxpayers and ideally while respecting criteria of efficiency, effectiveness and responsiveness. It can be difficult in small municipalities (up to 1 000 inhabitants) in the Czech Republic. They do not have the possibility to collect local fees as municipalities up to 5000 inhabitants (number of taxpayer, culture and accommodation facilities etc.) but, as analysis showed, the costs of this agenda are very similar to the costs of larger municipalities. The aim of this paper is to determine the relative costs of collecting local fees in municipalities of the South Moravian Region and to discuss factors which can influence the results of analysis. Relative costs are the ratio between administrative costs to collection of local fees and revenue of local fees. Their amount is significant influenced by operation (fixed) costs of municipal office (authority), fee rate, number of taxpayers and real time that employees spend with this agenda

Key words: municipality, administrative costs, local fees, economies of scale, South Moravian Region, Czech Republic

Jel: H71, H72

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## **Assessment of tax burden on the ownership and use of road freight transport in Russia**

The article looks at how taxes influence tax payers' decision as to whether to own and use road freight vehicles. Types of taxes and fees imposed on the purchase and operation of road freight transport as a business are described in detail. Methods of calculating the cost of owning a road freight vehicle are improved. Substantiation is provided for an idea that it might be useful to introduce a classification that divides taxes into fixed, variable, and operating ones with regard to the intensity of road freight vehicle use. The study examines the share of fixed, variable and operating taxes in the cost of owning and using a road freight vehicle. Calculations are done for the amount of variable transport taxes per kilometre of car travel per tonne of cargo (tonne-kilometre). Calculations are done for the amount of operating taxes per tonne-kilometre of commercial use of a vehicle. A conclusion is made that the total amount of all taxes grows in absolute values for vehicles with a bigger payload capacity, but declines per tonne-kilometre of travel.

Key words: tax burden, road freight transport, tonne-kilometre, vehicles, types of taxes

Jel: H20

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## **How to pay for health: selected macroeconomic aspects of health budgets**

This paper is focused on the macroeconomic properties of health care financing in the context of macroeconomic development. Together with absolute and relative increase of health expenditure, the significance of health expenditure is rising and the public policy must be adjusted accordingly. So the paper aims to cover significant macroeconomic trends in this area in the international perspective. Special attention is paid to so-called “state insured persons” in the Czech Republic in the context of government and health budget relationships. Recent proposals in this area are discussed.

Key words: health insurance, health expenditure, economic cycle, health systems

Jel: I13,I18,H51

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### **Nové výzvy pro veřejné politiky na cestě k euru**

Má smysl pro Českou republiku vstoupit do Evropské měnové unie? Podle jakých kritérií se lze rozhodovat? V naší analýze hledáme odpověď na tyto základní otázky pohledem malé otevřené ekonomiky. Analýza staví na tom, že pro tvůrce hospodářské politiky v malé otevřené ekonomice je větší integrace, například do měnová unie, „atraktivní“ jen pokud to povede k posílení cenové konkurenceschopnosti země na světovém trhu. V článku je definován reálný měnový kurs jako měřítko cenové konkurenceschopnosti a vyhodnocena cenová konkurenceschopnost celé ekonomiky ČR a rovněž i samotného průmyslu ČR. Z toho jsou vyvozeny doporučení pro hospodářskou politiku se zaměřením na fungování kursového vyrovnávacího mechanismu platební bilance – klíčovou otázkou je, zda má smysl pro Českou ekonomiku připojit se k větší integraci, zda je vhodné vstoupit do Evropské měnové unie. Pokud ČR přijme jednotnou měnu, ztratí vlastní kursový vyrovnávací mechanismus. Stavíme svůj přístup na tom, že argumentace o výhodnosti/nevýhodnosti případného přijetí jednotné měny by neměla být založena na maastrichtských kritériích, ale na filosofii reálného efektivního měnového kursu. Maastrichtská kritéria neodráží cenovou konkurenceschopnost země – klíč pro malou otevřenou ekonomiku. Navrhujeme tedy tvůrcům hospodářské politiky raději testovat dopady posílení a oslabení kursu národní měny na ekonomiku.

Key words: euro, reálný kurs

Jel:

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## **The Road to Euro - new challenges for public policies**

The sovereign debt crisis inside the European Monetary Union (EMU) as well as competitiveness problems of some EMU members made the members and non-members of the club address one question: Is a monetary union advantageous? This analysis proposes an approach to the issue from the vantage point of a small open economy – namely the Czech Republic. To assess the advantages of joining a monetary union it is recommended to analyse, instead of the Maastricht criteria, five new criteria that reflect the change in the competitiveness of a country. An economic policymaker can only consider entering a monetary union if it boosts the competitiveness of its home country. This analysis addresses the issue of price competition, which can be measured by real effective exchange rate. Arguments concerning the advantages/disadvantages of the adoption of a common currency should not be based on the Maastricht criteria but on the philosophy of the real effective exchange rate, because the Maastricht criteria do not reflect the competitiveness of a country. Only when the exchange rate balancing process of the balance of payments ceases to bear fruit can we consider a monetary union with our business associates.

Key words: real effective exchange rate, exchange rate, balancing mechanism, the EMU entry criteria, productivity, competitiveness, export, monetary policy, public policy

Jel:



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### **Risk definition and management in public services delivery: a Slovak case study**

This paper is focused on range of approaches to risk in innovation in public services in the field of healthcare. By using qualitative analysis it identifies and evaluates current approaches for relevant stakeholders to engage in discussions about levels of risk for public service innovation in mental healthcare. The goal of this paper is to present the partial analysis of an international research project on risk definition and risk management in public services delivery in Slovak republic. The research is supported by the 7th Framework Programme of the European Union under the contract No 320090 LIPSE \\'Learning from Innovation in Public Sector Environments\\'.

Key words: Risk management. Risk definition. Public sector. Public services delivery.

Jel: H41, I18

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### **Daňové asignace – možnost financování neziskových organizací**

#### Abstrakt

Příspěvek pojednává o daňové asignaci, vysvětluje tento pojem a seznamuje s tím, jak tento způsob financování v praxi funguje. Jsou představeny modely v zemích, kde daňová asignace je již zavedena, tedy v Maďarsku, na Slovensku a v Polsku. Jsou uvedeny i výhody a nevýhody, které sebou zavedení daňové asignace přináší.

Klíčová slova: Daňová asignace, výhody a nevýhody daňové asignace, neziskový sektor

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# **Step by Step CCCTB Implementation in EU28: The Impact of the First Stage on the Tax Bases in the Czech Republic and Slovak Republic**

The European Commission decided to re-launch the CCCTB for the consolidation aspect of the CCCTB was the most difficult part for the negotiation. Therefore, the European Commission changed the implementation strategy of the CCCTB. Firstly, by June 2016 the Commission would like to implement a mandatory Common Corporate Tax Base (hereinafter as CCTB) for EU 28 and then as the second stage the CCCTB. The mandatory CCTB would replace the consolidation regime by temporary cross-border loss offset regime. The aim of the paper is to compare the impacts of the first implementation stage of the mandatory CCTB implementation in case of Czech Republic and Slovak Republic – i.e. how the tax bases of both selected countries change after the implementation of the temporary cross-border loss offsetting regime. The results show that in comparison with current situation (when applying separate entity approach) the introduction of temporary possibility for cross-border loss offsetting would have negligible affect for the Czech Republic, but significant affect for the Slovak Republic.

Key words: CCCTB, CCTB, loss offsetting, cross-border, EU

Jel: H25, K22

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## **Public Procurement Market and the Municipal Waste Management**

Public procurement market behaves differently in various sectors. Special case is public procurement market in the municipal waste management, because there is relatively small number of firms and the supply side has rather oligopolistic structure. Additionally, we can find here significant evidence of regional monopolies, which are often supported by ownership of important capital goods - landfills. The result is that the number of bids in the tenders is very limited, which does not bring enough pressure on the tendered prices and thus negatively affects budgets, especially in small municipalities., The paper presents the first results of the analysis of a large sample of contracts for municipal waste collection awarded in the period of 2005-2014 (more than 400 observations). Attention is mainly focused on the level of competition on the supply side in individual regions as well as on the regional market powers of the biggest companies.,

Key words: Municipalities, Public Procurement, Waste Management

Jel: H57, Q53

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### **The Czech Military Expenditures as a Government Failure, a Social Problem, and Cultural Conflict within 1993-2016**

The Czech Republic joined the NATO PfP Program in 1994 and later on, in 1999, it became a NATO member. In order to prevent NATO from free riding as well as to ensure convergence in military capabilities, each NATO country ought to spend on defence 2% GDP at least. However, that has never happened in the Czech Republic. In 2016, the Czech military expenditures were only 1% GDP. This article deals with the evolution of the Czech military expenditures as a government failure, a social problem and a cultural conflict as well. Author provides an explanation why more than ten Czech governments have not yet coped successfully with the problem of a raise of military spending required by NATO. In fact, this government failure was caused by: (i) interference of political cycle with budgetary one, (ii) inferior quality of defence ministers as fiscal agents in comparison with the finance ministers as the fiscal principals, and (iii) plentiful changes of governments, ministers of finance, as well as, ministers of defence. Thus that changed the question of a raise of military expenditures from the crucial political agenda to the routine technical issue which is usually sort out by bureaucracy limited by ministerial sphere of activity.

Key words: military expenditures, government failure, budgetary and political cycle, cultural conflict, principal-agent-devil's advocate model

Jel: F52, H12, H56, H60

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# **The Impacts of Decentralization on the Quality of Public Procurement**

The article deals with the influence of decentralization and other factors on the quality of public procurement. The quality of public procurement in our concept is indicated by the odds ratio that the Office for the Protection of Competition (OPC) will find a violation by the contracting authority. The basic tool of our analysis is the logit model which we apply to data on public procurement for 2011-2015, which we then match with the decisions of the Office for the Protection of Competition. The results are quite surprising because the best results in this area were achieved by the regions, not the central government, where there should be better conditions in the form of the qualifications of the employees.

Key words: public procurement, decentralization, the Office for Protection of Competition

Jel: H57, H72, H77

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# **Comparison of the efficiency of the use of inputs from selected prison systems in Central Europe using DEA analysis**

The article deals with the evaluation of the efficiency of use of inputs from selected prison systems in Central Europe, namely the Czech Republic, Slovakia, Poland, and Hungary. For evaluating the efficiency of the use of inputs, we utilized the data envelopment analysis (DEA) method. The results show that the prison system in the Czech Republic does not use its effectively. This inefficiency was caused mainly by an inability of the system to respond flexibly to release of prisoners due to an amnesty in 2013. In order to increase the efficiency of the use of inputs, the Czech prison system should look to the efficiency of the prison service in Po-land.

Key words: prison systems, DEA, inputs, efficiency

Jel: H80, H83

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### **Local taxes as a tool of local economic development**

The purpose of submitted paper is to evaluate economic dimension of local taxes and local taxation. The paper discusses the relation of economic and tax policy of municipality. It also contains a short legal analysis of local taxes as a tool of the municipal economic policy in the legal system of Slovak Republic. The most important part of the paper is of methodology for quantification the stabilizing function of local taxes and its application in district towns of Slovak Republic. The results show that the stabilizing function implementation tax loss in case of the real estate tax in Slovak district towns is relatively non-significant. The Appendix 1 contains the results of every analyzed municipality.

Key words: Local economic development, Local taxes, Municipalities, Real estate tax, Tax policy, Stabilizing policy

Jel: H25, H71, H72



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### **Effective Tax Rates in the “Foreign Parent – Czech Subsidiary” Links**

The paper assesses the economic importance of Czech entities under control of the EU listed companies from a taxation perspective. Both national and EU policy makers deliberate changes in taxation, promoting thus a smooth mobility of capital flows. Two main measures considered – IFRS based taxation and consolidated group’s taxation (CCCTB) – can either directly or indirectly influence tax bases of these Czech subsidiaries. Using individual corporate data and macroeconomic time series, the empirical evidence unveils (a) a wide dispersion in the effective tax rates suggesting profit transfers both into and out of the Czech Republic; (b) a significant share of these subsidiaries on the aggregate economic output, with a potentially large impact on revenue to public budget, if any change approved.

Key words: IFRS adoption, taxation, CCCTB, effective tax rate, parent-subsidiary links

Jel: M41, H25

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### **Support the caregivers – Inspiration from Austria**

Aging of the population requires look for new solutions not only in terms of material security of seniors, but also in providing social services. In recent years in many European countries put emphasis on ensuring home care elderly and handicapped people. This requires a reevaluate forms of support for family members who do provide the care. The aim of this paper is based on the characteristics of new measures in this field came into force in Austria, suggest possible solutions in our country.

Key words:

Jel:

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## **Effective corporate income tax rate and benefits to top management: a study based on Czech and Russian listed companies**

The paper analyzes connection between effective corporate income tax rate and benefits that are provided to the top management of the studied companies to total expenses ratio. The companies were chosen from the Czech and Russian listed firms. Only firms preparing their financial statements according to IFRS were taken into account to ensure the comparativeness of the data., The analyses demonstrated that statistically significant correlation between the above-mentioned indicators was not observed.,

Key words: IAS 19, employee benefits, effective tax rate, corporate income tax, benefits to top management

Jel: H25

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# **"Prorůstové" faktory podnikatelského prostředí v ČR/Growth Factors Affecting Entrepreneurship in the Czech Republic**

Cílem příspěvku je posoudit vývoj obecně legislativního prostředí na základě vybraných platných nebo připravovaných změn zákonů či opatření, které ovlivňují kvalitu, finanční i časovou náročnost a zátěž podnikatelů, především, živnostníků a malých a středních firem, tyto návrhy posoudit a případně navrhnout variantní řešení problému./, Summary. The goal of this paper is to evaluate the development of the legislative environment on the bases of selected valid or planned amendments to laws or measures affecting the quality, financial and time demands and load on entrepreneurs, especially sole traders and small and medium-sized companies, to assess the drafts and/or suggest other variants for solving the issues.

Key words: legislativní prostředí, daně, výběr daní, motivace/legislative environment, taxes, collection of taxes, motivation

Jel: H2, H30,H50,H71

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## **Open budget data and current praxis in Czech towns**

Publishing budget data as Open Data can increase budget transparency. The paper specifies the concept of open budget data and evaluates the format of the published 2015 draft budget in 77 Czech towns and the diffusion of the so called click-through budgets. The potential of the open budget data remains so far unused: Analyzed towns published the draft budgets mostly as scanned images or PDF files, only 11 towns published the draft budget in the xls format. Use of open machine-readable formats was not observed. At least 20 towns use a click-through budget, but their characteristics differ significantly. The paper was prepared in the framework of the projects OpenBudgets.eu funded from the European Union's H2020 EU research and innovation programme under grant agreement No 645833.

Key words: municipal budget, open budget data, budget transparency

Jel: H72, C8

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### **VAT Control Statement – problematic aspects**

The paper covers the issue of control statements. Entering into force on 1 January 2016, this new measure requires VAT payers to send tax authorities control statements simultaneously with the value added tax return. The authors focused on the problematic aspects that relate to the production and submission of control statements. This particularly involved the issue of the strangling effect of sanctions stipulated by the Act and that of unreliable payers in the business chain., Both of the observed traits can be seen to have a negative impact on honest tax entities that will incur additional administrative and financial costs in connection with the control statement.

Key words: Czech Republic, Tax evasion, VAT Control Statement

Jel: H26

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### **Willingness to pay for improving health services in the Basque Country**

The aim of this work is to assign an economic value to health services in the Basque Country. For this purpose, a survey was conducted including a discrete choice experiment. A Mixed Logit Model has been specified in order to analyze stated responses and obtain economic values. The results indicate that the highest valued attribute of current public health is medical care and that there is heterogeneity in the preferences of individuals with regard to the waiting time for specialist, intervention and hospital comfort. Groups of individuals with different preferences have also been identified, namely self-employee, individuals with university degree and individuals with high income. The main contribution of this work has been to quantify in monetary terms the preferences of individuals with regard to health services in the Basque Country. This assessment could be used both in business and politics of public resource allocation.

Key words: Health services, Discrete Choice Experiment

Jel: I11, I18, C35

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### **Má zdanění příjmů vliv na zadluženost firem?**

Jedním z faktorů, které ovlivňují kapitálovou strukturu firem nebo způsob financování jejich investic, je zdanění příjmů. Odečet úrokových nákladů od základu daně, kdy dividendy odčitatelné nejsou, vytváří tzv. dluhový daňový štít, který může pobízet firmy ke dluhovému financování. Někteří autoři mají za to, že daňová úleva související s dluhovým financováním může vést k nadměrnému zadlužení firem, které může mít negativní důsledky jak na mikro, tak na makroekonomické úrovni, např. zvýšit pravděpodobnost finanční krize nebo krizi prohloubit. Výsledky mnohých empirických studií, kdy byla analyzována data na úrovni firem, ukazují, že podíl dluhu je významně pozitivně ovlivněn zdaněním příjmů právnických osob. Cílem našeho výzkumu je analyzovat dopad zdanění na míru zadlužení nefinančních korporací na makroúrovni, tj. analyzovat data evropských zemí (za období 2006 až 2014). Zdanění je v našem regresním modelu zastoupeno několika proměnnými, které zohledňují daňovou úlevu dluhového financování ve zdanění příjmů právnických osob, pravidla nízké kapitalizace, zdanění výnosu věřitele či akcionáře daní z příjmů fyzických osob a efekt zdanění příjmů na přeshraniční investice, neboť tzv. dluhový daňový štít může nadnárodní společnosti motivovat k přesunu dluhu mezi zeměmi s různými daňovými sazbami s cílem optimalizovat celkovou daň. Vedle daňových proměnných zahrnuje regresní model i nedaňové proměnné reprezentující institucionální faktory na úrovni státu, které mohou také ovlivňovat zadlužení firem.

Key words: zdanění příjmů, dluhový daňový štít, nízká kapitalizace, dluh firem

Jel: H25, H32



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### **Risk and Recognition in the post-BEPS context**

Transfer pricing rules, which are used for tax purposes, for transactions within the multinational group of companies resulting in the allocation of profits to group companies in different countries, have significant impacts both on the taxable income of the group and on tax revenues. Therefore the Action Plan on Base Erosion and Profit Shifting (hereinafter as BEPS) focuses on the aligning transfer pricing outcomes with value creation which would correspond with the economic activity that produced the profit. The aim of paper is to understand risks in the enterprise in the post-BEPS context and describe the main related revisions to the section D of Chapter I of the OECD Transfer Pricing Guidelines. Based on the results we can conclude that for transfer pricing purposes, the party assuming the meaningfully de-fined risk should control the risk and have the financial capacity to assume the risk. Further, the application of the arm's length principle should be based on concepts of value chain analysis, an identification of the responsibilities within the group and a correct appreciation transfer pricing.

Key words: Action Plan, BEPS, transfer pricing rules, risk, value chain analysis

Jel: F23, K33, G38

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## **Influence of corporate tax on business organizational form in the Czech Republic**

The goal of this paper is to determine influence of corporate tax in the Czech Republic on decision, whether the owner of business will choose corporate or non-corporate type of organizational form for his business. By examining data from 1993-2015 about changes of relevant tax rates and numbers of corporate and non-corporate type of business each year this research tries to find answer. The influence is connected with the issue of double taxation of profits of corporate type of business. Corporate income is taxed twice by corporate tax and income tax, while non-corporate type of business is taxed only once, but owner also have to pay social and health insurance from the profits. The results suggest low level direct dependency between corporate tax and ratio of number of corporate and non-corporate business. This result is inconsistent with previous studies on this subject and needs to be investigated further by expanded theoretical model in the future study.

Key words: double taxation, corporate tax, business organizational form

Jel: H25, H32

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## **PUBLIC SUPPORT OF RESEARCH AND DEVELOPMENT – COMPARISON OF THE CZECH REPUBLIC, AUSTRIA AND SLOVAKIA**

The aim of this article is to compare a public support of research and development (R&D) in the Czech Republic, Austria and Slovakia. The research is primarily focus on its structure, development and used tools. Basic source of data is Eurostat database, which is complemented by information from national statistical offices and OECD. Results suggest that quantity as well as intensity of public support have expanded steadily in all three countries. Governments combine direct public funding and indirect public funding; the countries offer more than one type of tax instrument for stimulating R&D expenditure. Most diverse support with the largest volume of indirect R&D funding is provided in Austria, contrary to minimal support in Slovakia.

Key words: Research and development, public support, direct and indirect funding, tax exemption and incentive

Jel: O38, E62, H25

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## **CHOSEN ISSUES OF THE MANAGEMENT OF LONGEVITY RISK IN POLISH PENSION SYSTEM**

CHOSEN ISSUES OF THE MANAGEMENT, OF LONGEVITY RISK IN POLISH PENSION SYSTEM, Abstract, Life expectancy has been rapidly increasing and remains uncertain in all OECD countries, including Poland. One of the many economic and social consequences of this process is the increase of the longevity risk in social security systems. The article focuses on the issues of managing longevity risk in the pension system in Poland, in particular - the construction of public and supplementary pension systems and its ability to adapt to the challenges associated with longevity risk. Particular attention has been paid to the analysis of public structures and supplementary pension schemes in the phase of payment of benefits (decumulation). The author argues that both the public pension system, as well as supplementary pension schemes in Poland, do not secure adequate protection against the risk of longevity. While in the public retirement system the aggregate longevity risk exists, the participants of additional pension systems are exposed to individual longevity risk. The limitation of these risks requires significant structural changes both in public and additional pension schemes in Poland.

Key words: social policy, longevity risk, life expectancy, public and additional pension systems

Jel: I3

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## **Old-age pension entitlement with respect to the minimum insurance period**

The paper brings a comparative analysis of various minimum insurance periods that entitle a person to old-age pension in selected European countries, Canada and the United States. Based on the results, we present the possible changes in the minimum insurance period in the Czech Republic. The subsequent analysis of the ČSSZ data file evaluates the impact of each variant on the pension entitlement of individuals in retirement age and on the balance of the Czech pension system.

Key words: old-age pensions, gender equality, pension rights, pension reform.

Jel: H55, J26, G22

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## **Dependence between total value and taxation values in competitive report**

This paper deals with dependency between total value and taxation values in the Global Competitiveness Report issued by the World Economic Forum. One can assume that a country is more competitive if the tax system is easy for tax payers. The goal is to find out if there is any relation between these values. Multiple linear regression analysis will be used as method., Based on the results, statistically significant relation was identified between total values and taxation values in years 2014, 2015 and 2016.,

Key words: competitiveness, Global competitive report, regression analysis, taxation

Jel: H20

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### **Vliv vývoje výnosů daní na sdílení daňových příjmů státního rozpočtu a rozpočtů obcí**

Příspěvek je zaměřen na zhodnocení vývoje sdílení daní mezi státním rozpočtem a rozpočty obcí v ČR. Sdílení daní je založeno na rozdělování výnosů daní mezi státní rozpočet, rozpočty obcí, rozpočty krajů a státní fond ve stanoveném poměru. Systém sdílení daní zavedený v roce 2001 se vyvíjel, nicméně jeho hlavní základ, tj. typy sdílených daní zůstávají zachovány. Pro zhodnocení je sledován poměr daní přijatých státním rozpočtem na jedné straně a rozpočty obcí na straně druhé. Vývoj sledovaných daní resp. jejich částí je autonomní a výsledný poměr daní mezi rozpočty je ovlivňován strukturou daní, změnami podílů při sdílení daní a vývojem výnosů z jednotlivých daní. Příspěvek hodnotí hlavní aspekty, které ovlivňují sdílení daní mezi obcemi a státním rozpočtem

Key words: daň, státní rozpočet, rozpočty obcí, sdílení daní

Jel: H71

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### **Risk of Investment to Higher Education**

The aim of this paper, is to estimate risk connected with investment to education and particularly with university education. As the literature overview shows, schooling is a risky investment and the rates of return to this investment show substantial variance. The analysis of link between investment to education and risk is carried out on data of ESS5 survey collected in the year 2010 in 21 European countries using quantile regression. The paper uses a particular measure of risk: the difference of returns in different deciles of earnings. In the second part of the paper, authors measure expected rates of returns of university students at selected Czech HE institutions as they follow from questionnaire survey in the years 2010-2012. Results of, analysis show that risk connected with investment to education is substantial and that this risk is expected by university students.

Key words: quantile regression, risk, investment, higher education

Jel: J24, J31, I26



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### **The Fiscalization of Child Benefits**

The distortions of the Czech public pensions are seducing to treat pension contributions as if they were an income tax. This includes the proposal of the Pensions Commission to differentiate the pension contribution rates according to the number of dependent children. Its proponents ask to finance the opportunity costs of raising children by these tax rebates. Such extreme requirements do not fit in the typical conservative social model, let alone any other family policy models. In comparison with this background, the Commission's proposal is very modest. A simple and effective child benefits reform involves a shift to substantially higher and universal benefits that would bring even more to the respective party's electorate. The further fiscalization of Czech child benefits is ineffective. Czech and international experience has shown that Czech child benefits can be effectively provided both by the social administration and the tax administration.

Key words: child benefit, tax expenditure, tax rebate, public administration, pension contributions

Jel: H24, H55, H53

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### **Critic Factors of the University Hospitals' Economic Stability in the Czech Republic**

The article deals with the problems of economic stability of the government allowance organizations. The aim of this article is to identify the critic factors of economic stability of ten university hospitals during 2010 – 2014. The Z-Score Emerging Markets Model was used for the needs of the economic stability modelling. The Pearson's correlation coefficient was chosen for the mutual linear two-dimensional dependency analysis. The Z-Score Analysis results have shown that six of the university hospitals were located within the safe zone during the watched period; two university hospitals were in the grey zone and two hospitals showed their results on the grey and critic zone border. Analysis of the Z-Score results has proved that the X4 factor has the most significant influence on the results value. The X4 factor is given by the ratio of equity to the foreign sources. Minimal influence has been found with the X2 factor (given by the ratio of the after-tax profit and the retained profits to the total assets). The article has shown that the legal form of the allowance organization is not appropriate in healthcare, because of majority financing of these organizations from the public health insurance (reimbursement of the provided health care services) and of inflexible management that is bound to rigid procedures from the state.

Key words: Allowance organizations, university hospital, economic stability, Altman Z-Score, Correlation Analysis

Jel: G30, I18

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## **The aspects of the “black list” institute in public procurement of the Czech Republic**

The authors present their results concerning analysis of actual situation in the context of Act No 137/2006 Coll., On Public Contracts due to the “black list” institution that was adopted to the Czech law in 2010 as an instrument to prevent suppliers (tenderers) from submission of faked qualification requirements. The paper tries to explain the problematics of the black list institute and try to explain other circumstances that should be deduced out of this institute. The authors summarize the effect of the black list to the suppliers for its 5 years history. The blacklisting is used in other countries but the authors tried to think out if this is the right way in the Czech Republic environment and the right motivation to the the Czech suppliers to submit the fair bids in the tenders.

Key words: Public procurement, factors of competition, blacklist, qualitative analysis

Jel: H57

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### **How do opinions on tax evasion relate to shadow economy and VAT gap?**

Tax evasion is one of highly discussed topics among politics, tax professionals, academics and also representatives of business. To understand the phenomenon of tax evasion it is necessary to estimate its volume and also factors driving it. This contribution attempts to find out the relations between the opinions on tax evasion expressed by citizens of European countries in an extensive public survey and the estimates of the tax evasion (expressed by means of VAT gap) and shadow economy published for these countries. The discovered links are different for the VAT gap and the shadow economy and are not in line with some of the papers already published. The reasons for the ambiguous results are discussed in the conclusion of the paper.

Key words: Tax evasion, VAT gap, Shadow economy, Tax morale, European Values Study

Jel: H26, O17

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# **Impacts of Public Support of Renewable Electricity in the Czech Republic**

The paper is focused on an analysis of the impacts of public support of renewable electricity in the Czech Republic, mainly on the analysis of the impacts of both feed-in tariffs and grants on the renewable electricity generation. Firstly, the over-view of public support of renewable electricity in the Czech Republic is briefly de-scribed, than the literature overview is presented. For the purposes of the paper, the methods of correlation and regression analysis are used. Based on the results, we can say, that there is the dependence mainly between minimal feed-in tariffs for electricity from biomass and generation of electricity from biomass. Regarding grants, there is the dependence between grants for electricity from biogas and gen-eration of electricity from biogas.

Key words: public support, renewable electricity generation, feed-in tariffs, grants, Czech Re-public

Jel: H23, Q48

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## **Disclosure of deferred taxes in annual reports of listed companies at the Prague Stock Exchange**

Accounting rules require published financial statements to reflect the tax consequences of economic transactions reported in those financial statements. In most jurisdictions, revenues and expenses recognized in given period for taxation purposes will not fully correspond to what is reported in the financial statements and therefore future tax consequences are to be recognized. As many users of financial information are dependent on published financial accounting information only, the way of disclosure plays important role for their economic decisions. Therefore the paper observes disclosure of deferred tax assets and deferred tax liabilities in financial statements of listed companies at the Prague Stock Exchange and analyses frequently disclosed deferred taxes.,

Key words: Disclosure of deferred taxes, deferred tax liability, deferred tax assets

Jel: H25

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