

the **fleet sheet's final word**

No. 2555

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Living in VAT hell

When Czechs use Amazon's German site for the first time to buy CDs, DVDs or books, they might be surprised to pay a slightly higher amount than the advertised price (in addition to the €7 flat-rate postal charge). Amazon tacks on the difference between Germany's VAT rates of 7% and 19% and the CR's rates of 10% and 20%. If the Nečas cabinet moves more items into the 20% bracket as part of pension reform, the difference will become even more conspicuous. The CR is on track to become one of the European countries with the highest weighted-average VAT rate. The Czechs will even give some Scandinavian countries a run for their money, but in these countries taxpayers tend to get more bang for their tax buck. Increasing the tax on consumption might be justifiable if the money is put to effective use. In Czech VAT hell, however, much of the money will go toward funding the theft from the national budget. Assuring this uninterrupted money flow is in fact one of the unstated reasons for the VAT increase.



FORECASTING DINNER 2011 TONIGHT

at the Czech National Bank



Organized by the Czech CFA Society
under the auspices of CNB
Governor Miroslav Singer

Speakers:

Miroslav Singer, Louis Boulanger

Discussion Panel:

Alicia Gonzalez (moderator),
Juan Ignacio Crespo Carillo,
Louis Boulanger, Michal Mareš

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