

## Mr. 9.1 is at it again

When Parliament raised the lower VAT rate from 5% to 9% as of 2008 (and kept the upper rate at 19%), the finance ministry expected additional total VAT receipts of Kč 42.4bn, to [Kč 274.5bn](#). In reality, the extra VAT intake for 2008 was only Kč 22.7bn, to Kč 254.8bn, and the ministry attributed the shortfall mainly to stockpiling and pre-invoicing at the old VAT rate. The following year, when the VAT rates remained unchanged, total receipts were [Kč 252.7bn](#), or Kč 25.9bn below the ministry's forecast.

The finance minister, need we remind you, was none other than [Mr. 9.1](#) Miroslav Kalousek. The point of this exercise isn't to overwhelm you with figures, but rather to point out that Kalousek has a miserable record in terms of predicting the impact of higher VAT. Politicians, analysts and journalists should grill him relentlessly about his basis for forecasting Kč 58bn in extra pension revenue from his latest VAT hike.

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