Example – Czech Republic

Gross wage in month 39000 CZK (approx. 1500 EUR), taxpayer has one child. What is his netto wage? What has he to pay?

Gross wage (month) 39000

Tax base 39000

Tax allowance to deduct 0 Tax allowance is not allowed in month calc.

Modified tax base 39000

Tax brutto I 5850 15% from the modified tax base

Tax reduction to deduct 2570 1/12 of basic tax reduction (30840 CZK)

Tax brutto II 3280 5850-2570

Tax allowance 1267 1/12 of tax allowance (15204 CZK)

Tax netto 2013 3280-1267

Netto wage:

Gross wage 39000

Social and health contributions

paid by employee 4290 11% of gross wage

Tax netto 2013

Netto wage 32697 39000-4290-2013; approx. 1258 EUR

Taxpayer must pay tax netto and social and health contributions.

Payor (employer) pays additional part of social and health contributions 13182 CZK (33,8 % of the gross wage).

**Your task** is to take average wage in your country in one month and calculate the netto tax and other tax duties. Please use the table or any other form to show the structure of your calculations.

Place your homework in the “Homework Vaults” in the Information System no later than 30/3/2021.