

Pillar II / Top-up Taxes in the Czech Republic and in Slovakia

Is your company part of a group of enterprises with consolidated revenues exceeding EUR 750 million?

As of December 31, 2023, you will generally be required to pay income tax with an effective tax rate of at least 15%.

What needs to be done now?

For taxpayers with a calendar-year accounting period, **top-up taxes will need to be calculated, or exemptions identified as early as in the financial statements for the year 2024**, regardless the fact that the administrative and payment obligations related to the top-up tax (submission of an informational report or a tax return for the top-up tax) will arise in 2026.

We recommend addressing the top-up tax issue as soon as possible and not leaving it to the last minute.

How can we help?



To analyze the current situation of your group to determine **whether the top-up taxes apply to you** and, if so, how.



We will provide an **indicative calculation of the simplified effective tax rate, tax base, and any potential top-up tax.**



We will evaluate (calculate) the potential **application of exemptions/safe harbours**, which can defer significant administrative burdens during the transitional period.



We can analyze your **current system setup** to determine whether the necessary data are available, or assist in identifying key data.



We will assess **other administrative obligations** associated with the new legislation.



Last but not least, we will ensure **assistance from Grant Thornton's foreign offices**, if needed, for your group's foreign companies.

Whom to contact?

If you are interested in the topic of top-up taxes, please contact your contact person at Grant Thornton or directly reach out to our specialists at the **Centre of Excellence for the Czech Republic and Slovakia in the area of top-up taxes** – see below.



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