HISTORICAL DEVELOPMENT OF REAL PROPERTY TAX REGULATION IN THE TERRITORY OF SLOVAKIA IN THE PERIOD OF 1918–2005[1]

ANNA VARTAŠOVÁ – KAROLÍNA ČERVENÁ

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The collapse of the Austro-Hungarian monarchy and the establishment of the independent Czechoslovak state (1918) meant not only a geopolitical change for the territory of Slovakia, but also caused economic changes, which were reflected in the subsequent gradual changes in the legislation in force in the territory of the newly established state. One of the areas that have so far been little explored in detail and comprehensively in a historical context is the area related to the application of real property tax legislation in the territory of Slovakia. After the establishment of Czechoslovakia, the original Austro-Hungarian legal system of real property taxation was adopted in this area, which was subsequently only partially amended until the major reform of direct taxes in 1927. The system thus adopted lasted in principle until the period after the end of World War II, followed by a significant political and economic change, which triggered a fundamental revision of the legal system (including real property taxation) after 1948, but especially after 1952. The established system of socialist conception of taxation was gradually transformed only after 1989.

In this study the authors deal with the historical legal development of real property taxation in the period 1918–2005 in the territory of Slovakia in the geopolitical and economic historical context. Using standard scientific methods and available historical sources, the aim of the authors was to identify approaches to the concept of real property taxation in particular historical periods with reflection on legislation then in force. The authors have identified that real property tax legislation in the territory of Slovakia has historically been gradually simplified (unification and elimination of multiplication of tax obligations), concluding that the fundamental changes in the legislation were triggered by a change in the concept of taxation, which was historically linked to the political economic system applied in a particular historical period.

Keywords: Czechoslovak Republic. World War II. Socialist period. Territory of Slovakia. Real property taxation. Legislation.

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Introduction

From the historical legal point of view, taxation of real property ("RP") in the territory of today's Slovakia appears only after the establishment of the centralised Hungarian state (after the accession of Stephen I), since the Slavs did not know taxes as we perceive them today in the first centuries after their arrival in the Carpathian Basin.[2] Real property tax ("RPT") legislation continued to evolve during the period associated with the history of Hungary, of which the territory of Slovakia was a part, until its dissolution in 1918. After this historical milestone, a period of special development began within the framework of an independent state of Slovaks and Czechs, freed from the previous domination of Hungary and Austria,[3] but with the primary aim of preserving legal continuity in order to ensure overall economic stability in the transitional period.[4] The beginnings of independent statehood were associated with serious economic problems (e.g. the enormous government debt,[5] currency instability,[6] housing shortages,[7] unemployment, different levels of development of Czech and Slovak part[8]) but also legal problems (dualism[9] and fragmentation of the legal system[10]). The process of economic recovery and nostrification of enterprises, i.e. transfer of the headquarters of domestic enterprises to the territory of the Czechoslovak Republic ("CSR"), was gradually taking place. The most significant reform pursuing the objective of modernisation and unification of tax legislation,[11]

2 HORBULÁK. *Finančné dejiny Európy: história peňažníctva, bankovníctva a zdanenia*. Bratislava 2015, pp. 239–240.

3 SETON-WATSON. *Nové Slovensko (The New Slovakia)*. Transl. Fedor Ruppelt. Praha 1924, p. 5 et seq.

4 Based on the Act No. 11/1918 Coll. *on the establishment of the independent Czechoslovak state* and other acts.

5 The CSR inherited a government debt of almost 102 billion crowns. (GRÚŇ. *Vybrané kapitoly z histórie daní, poplatkov a cla*. Olomouc 2004, p. 103).

6 The currency situation, the development of the government debt, initial problems and development are described by KOZÁK. *Československá finanční politika: nástin vývoje v letech 1918–1930*. Praha 1932, p. 16 et seq. and p. 147 et seq.

7 See RAŠÍN. *Finanční a hospodářská politika československá do konce roku 1921*. Praha 1921, pp. 135–139.

8 MIČKO. *Hospodárska situácia Slovenska v rokoch 1918–1945*. Banská Bystrica 2013, p. 50, 12.

9 In the Czech part, the former Austrian legislation was kept in force, and in Slovakia the Hungarian one, both of which differed. ROMÁNOVÁ. Adequacy of Current System of Property Taxation in the Slovak Republic. In RADVAN et al., ed. *Real Property Taxes and Property Markets in CEE Countries and Central Asia*. Maribor 2021, p. 82.

10 Tax legislation was unsystematic, inconsistent, and often contradictory; a large part of the laws did not even take the form of acts, but only decrees or official instructions. FUNK. Základní zákon berní. In *Obzor národohospodářský*, 1923, vol. XXVIII., p. 4 et seq.

11 Reasons are explained in: ENGLIŠ. Tři roky finanční politiky. In *Obzor národohospodářský*,

involving the taxation of RP, was implemented in 1927[12] (Engliš tax reform[13]). It was perceived as modern and progressive,[14] but its long-term effect was undermined by the change in the situation resulting from the economic crisis of 1930s[15] and the ensuing World War II ("WW II"). During the war, a Slovak State was established, which, as after World War I, retained its legal continuity. It was characterised by economic growth and tax-related support of construction development. Fundamental tax-associated changes took place in the post-war period, when the Communist Party gained political (and therefore legislative) power after 1948 and a significant rebuilding of the tax system along Soviet lines followed,[16] culminating in 1952 when a set of new laws reflecting the then State's idea of the functions of taxation was adopted.[17] The establishment of the Czechoslovak federation in 1968 did not bring any significant change in this context. In all the mentioned eras, major land reforms took place, which dramatically changed the structure of land taxpayers. The social, political and, consequently, economic situation changed radically again only after 1989 when the transition from a centrally controlled economy to a market economy took place[18] and, in particular, after 1993, when the independent Slovak Republic ("SR") was established.

The above historical context represented the circumstances influencing RPT legislation (nature and purpose), it is therefore necessary to analyse the process of its creation into its current form in historical contexts – development stages, which are defined by political or geopolitical changes. While literature on the development of legislation in general or focusing on non-tax related areas of

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1928, vol. XXXIII, p. 818 et seq.

12 HORBULÁK, Finančné, p. 253

13 Named after the then minister of finance and its main author prof. Karel Engliš. HRUBÁ SMRŽOVÁ et al. *Finanční a daňové právo*. Plzeň 2020, p. 282. However, the designation is not entirely accurate, as the reform had been in preparation from 1922 under the leadership of Boleslav Fux. ŠOUŠA. Daně a poplatky v 19. století a za Československé republiky v letech 1918–1938. In STARÝ et al. *Dějiny daní a poplatků*. Praha 2009, p. 124.

14 ZEMAN. Englišova Malá finanční věda a význam Englišovy teorie pro dogmatiku finanční vědy. In *Obzor národohospodářský*, 1933, vol. XXXVIII., pp. 89-93 and 179-186.

15 SEKANINA. *Kdy nám bylo nejhůře? Hospodářská krize 30. let 20. století v Československu*. Praha 2004.

16 SKALOŠ. Historické a právne aspekty výberu miestnych daní a poplatkov na Slovensku a v Čechách. In LIPTÁKOVÁ, ed. *Reflexie teórie a praxe na otázky miestnych daní*. Ostrowiec Świętokrzyski 2019, p. 13.

17 SIDÁK and DURAČINSKÁ et al. *Finančné právo*. Bratislava 2014. p. 190 et seq.; CHRASTINOVÁ. Vývoj daňovej sústavy a jej vplyv na poľnohospodárstvo. In *Poľnohospodárstvo*, 2000, vol. 46, is. 7, p. 545.

18 BRYSON et al. Land and Building Taxes in the Republic of Slovakia. In MALME and YOUNGMAN, eds. *The Development of Property Taxation in Economies in Transition: Case Studies from Central and Eastern Europe*. Washington D. C. 2001, p. 51.

law can be found quite often,[19] the history of taxation in the territory of present-day Slovakia is not dealt with by many authors. In specific works, this issue is dealt with mainly by Grúň,[20] by Horbulák in short,[21] in the scope of common history with the Czech Republic by Starý,[22] and is partly covered by authors within thematic monographs and textbooks of financial and tax law,[23] or special papers,[24] but even among them RPT-focused are only Skaloš and Kubincová[25] (who mostly draw from the resources of Grúň), Radvan (in the context of the common history with the Czech Republic),[26] and partly the previous works of the authors hereof,[27] although rather in an overview. A more detailed works appear only in relation to the period after 1989 in the specific context of the transition to a market economy.[28] A comprehensive analysis of the issue in the geo-space of Slovakia is still absent.

The authors' focused analysis is also aimed at critical assessment of the concepts on which the respective tax regulations were built in particular stages. The basis of RPT is the technical administrative determination of the tax base, while the most common are two basic approaches applied, i.e. area-based taxation – based on the area of the RP, and value-based taxation (the so-called ad-valorem[29]) – where the capital or rental value[30] is taken as the tax base. In

19 MALÝ et al. *Dějiny Českého a Československého práva do roku 1945*. Praha 2010, 640 p.; VOJÁČEK and SCHELLE. *Právní dějiny na území Slovenska*. Ostrava 2007, p. 201 et seq.

20 GRÚŇ, Vybrané; GRÚŇ. Daňové reformy na pozadí vývoja daňového práva po roku 1945. In *Právny obzor*, 1997, vol. 80, is. 6, p. 650.

21 HORBULÁK, Finančné, pp. 241-153.

22 STARÝ et al. *Dějiny daní a poplatků*. Praha 2009, pp. 88 et seq.

23 HRUBÁ SMRŽOVÁ, Finanční, pp. 271-287.

24 SKALOŠ, Historické, pp. 9-23; NEUPAUEROVÁ and VÁLEK. Historický vývoj daní ako hlavný zdroj financovania verejných potrieb na území Slovenska. In *Finance and risk: approaches of young economists*. Bratislava 2009, pp. 92-103.

25 KUBINCOVÁ and SKALOŠ. Historicko-teoretické súvislosti právnej úpravy dane z nehnuteľnosti na území Slovenska. In *Nové horizonty v práve 2019*. Banská Bystrica 2019, pp. 123-138.

26 RADVAN. *Zdanění majetku v Evropě*. Praha 2007. pp. 20-28.

27 ROMÁNOVÁ, Adequacy, pp. 81-84; VARTAŠOVÁ and ČERVENÁ. Podatki lokalne – źródło finansowania samorzadu lokalnego na Slowacji. In R*egulacje prawa finasów publicznych i prawa podatkowego: podsumowanie stanu obecnego i dynamika zmian*. Warszawa 2020, pp. 664–675.

28 E.g. BRYSON, Land, p. 51 et seq.; McCLUSKEY and PLIMMER. The Creation of Fiscal Space for the Property Tax: The Case of Central and Eastern Europe. In *International Journal of Strategic Property Management*, 2011, vol. 15, is. 2, pp. 123-138.

29 MALME and YOUNGMAN. Introduction. In MALME and YOUNGMAN, *The Development*, p. 7.

30 YOUNGMAN and MALME. *An International Survey of Taxes on Land and Buildings*.

practice, however, there are often combinations of the two (a mixed system), the so-called calibrated area-based system, where the area (used as a priority) is further adjusted by coefficients taking into account selected aspects of the property value. Such a model is also applied in the current RPT legislation in the SR, where diversification of tax rates is applied as coefficients calibrating the area, but only in a limited way[31], and administrative (statutory), expert appraiser or municipally determined value of lands is included in the tax base.[32] Over the last ten years, successive governments in the SR have had the intention to change this system and introduce the value-based RPT,[33] but this has not yet been done. This intention appears again in the Manifesto of the Government of the Slovak Republic 2021–2024.[34]

This fact has become an incentive for the authors to examine the historical context of the RPT legislation development in Slovakia in order to identify and comprehensively evaluate the development tendencies and to answer the research question, on what concept the RPT was historically based in the SR from 1918 to 2005 and on what principle (value or simple quantitative variables) the individual RPT laws applicable in the course of this historical development were constructed. From the historical and legal point of view, there was different perceptions of the RPT nature in the past as compared to the present. Current scholarship, both locally[35] and globally[36] (also at OECD level[37]), classifies RPT as a property tax, but at the beginning of the 20th century, financial scholarship classified it as a revenue-type tax, i.e. tax *"the subject of which is regular, objectively ascertainable revenue"*, as opposed to property tax, where *"the subject, i.e. the basis of assessment, is either the whole property or certain parts*

Deventer 1994.

31 ROMÁNOVÁ; RADVAN and SCHWEIGL. Constitutional Aspects of Local Taxes in the Slovak Republic and in the Czech Republic. In *Lex Localis - Journal of Local Self-Government*, 2019, vol. 17, is. 3, p. 600.

32 ROMÁNOVÁ, Adequacy, p. 98.

33 ROMÁNOVÁ, Adequacy, pp. 96-97.

34 *"... introduction of real property tax based on the value principle..." Programme Statement of the Government of the Slovak Republic for 2021 – 2024* [online]. p. 56 [cit. 2022-03-11]. Available at: <https://www.nrsr.sk/web/Dynamic/DocumentPreview.aspx?DocID=494677>

35 BABČÁK. *Daňové právo na Slovensku a v EÚ*. Ružomberok 2019, p. 376.; RADVAN, Zdanění, p. 5; HRUBÁ SMRŽOVÁ, Finanční, p. 292; GRÚŇ and KRÁLIK. *Základy finančného práva na Slovensku*. Bratislava 1997, p. 104.

36 THURONYI; BROOKS and KOLOSZ. *Comparative Tax Law*. Alphen aan den Rijn 2016, p. 297.

37 OECD. *Revenue Statistics. INTERPRETATIVE GUIDE* [online]. 2021, p. 4 [cit. 2022-05-07]. Available at: <https://www.oecd.org/tax/tax-policy/oecd-classification-taxes-interpretative-guide.pdf>

of it capable of serving human needs on a permanent basis, either as a capital or as a consumable (useful) property".[38] About the land tax, Bráf (1900) stated that it is *"a revenue tax, the subject of which is the revenue from land, either actual or even possible, but objectively ascertainable"* and its *"nature as a revenue tax is not affected if it is not formally imposed on revenue, but according to some other feature, e.g. the purchase value or simple geographical or economic units"*.[39] Horáček (1923) spoke of land tax and house tax as real taxes, but classified them as revenue taxes.[40] Kozák (1932) stated that

> *"the Act on Direct Taxes satisfies the requirements of the national economic theory, both in the naming of the individual taxes and in the division of taxes into income tax and revenue taxes a contrario to the previous division into personal and real taxes."*[41]

It is interesting to note that, applying the above historical perspective, current perception of RPT as property tax at the national level corresponds to the legal situation (RPT is not taxed through the revenue from property), but at the international level the situation is more diversified and it is mainly the (market) value of RP that is taxed, which, for example, according to Bráf, was one of the techniques for establishing the basis of the house tax as a revenue tax.[42]

The subject of the authors' research was RPT legislation in the historical period from 1918 to 2005 (until the currently applied Act No. 582/2004 Coll. *on local taxes and local fee for municipal waste* came in force). We focused primarily on recurrent property taxes (excluding transfer taxes) and surcharges on them; other compulsory payments of a tax nature applied to RP on a non-recurrent or recurrent basis (taxes, levies, charges, etc.) are included only briefly due to the limited length of the study. We also partially took into account taxes on income from RP where it was not possible to separate them due to the applied concept of taxation (in the socialist period). We analysed and compared the legislation over time, and we also analysed the literature of that time and the contemporary literature in order to explain the reasons/objectives of the legislation as well as to evaluate it. On the basis of the synthesis of the obtained knowledge, we formulated an answer to the scientific question and drew our conclusions.

38 BRÁF. *Finanční věda*. Praha 1900, pp. 268, 265, 263.
39 BRÁF, *Finanční*, p. 273.
40 HORÁČEK, O finančním, pp. 153-154.
41 KOZÁK, Československá, p. 95.
42 BRÁF, *Finanční*, pp. 294 et seq.

1. Real property tax: legal regulation development

1.1 First Czechoslovak Republic

After the establishment of the new state in 1918, the country had every possible kind of problems.[43] In the field of taxation, in addition to the mentioned legal problems, there were noticeable problems in the overtaking of administrative power by the Czechoslovak authorities, but also the reluctance of Slovak part of the state to the precision introduced in the collection of taxes (which was in sharp conflict with the previous superficiality and favouritism under the old Hungarian regime).[44]

In the early stages of the new-state development, the former Austro-Hungarian legislation was accepted which meant that the RPT regulation in Slovakia consisted of Act No. VII/1875 *on the regulation of land tax*, Act No. XL/1881 *on the adaptation of certain measures of Act No. VII/1875 on the regulation of land tax*, Act No. XLII/1881 *on amendment of the provisions of Act No. VII/1875 as regards the drained areas*, and Act No. VI/1909 *on house tax*; this regulation was then only gradually amended. RPT had the concept of a **land tax** and a **house tax**, internally divided into a tenancy house tax and a class tax (pursuant to the determination of the tax base – either rental income or the number of habitable rooms).[45]

Until the entry into force of Act No. 209/1920 Coll., a 5% tax on buildings exempt from tenancy house tax was also applied.[46] By Act No. 170/1919 Coll. *regulating the state tax and the surcharge base for real taxes*, the original tax rates were increased from 1919;[47] in Slovakia, the rates of class tax were increased by the war (valorisation) surcharge by Act No. 132/1920 Coll.[48] As an incentive for construction that should have helped to resolve the after-war housing crisis,[49]

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43 Including economic, political, social, ethnic, religious, state administration and border integrity issues (separatist efforts).

44 SETON-WATSON. *Slovensko kedysi a dnes*. Praha 1931, s. 36.

45 The tenancy house tax was levied in the "Austrian" part on the net revenue, but in the "Hungarian" part on the gross revenue and varied according to the number of inhabitants in the place. FUNK. *Naše berní právo*. Praha 1935, p. 342.

46 RAŠÍN, Finanční, p. 105.

47 The 15% relief on land tax was abolished – the rate reverted to the original 22.7% of the cadastral yield. KOZÁK, Československá, p. 90.

48 Extended for further periods by Acts No. 332/1921, No. 89/1922, No. 253/1923 and No. 299/1924 Coll. et seq. KOZÁK, Československá, p. 91.

49 Many marriages were contracted during the war, but new houses were not built because of the confiscation of building materials by the state, the shortage of workers and the high construction costs, which, combined with low (regulated) rents (as the result of the war-time "social" policy), made it unprofitable to build tenement houses. RAŠÍN, Finanční, p. 135-139.

several exemptions from the house tax were introduced – by Acts No. 204/1919 Coll. *on tenancy house tax exemptions*,[50] No. 209/1920 Coll. *on transitional tax benefits for buildings*;[51] No. 100/1921 Coll. *on the construction industry*,[52] and others.[53]

In 1919, a major land reform was launched, resulting in a realignment of land ownership in CSR. The reform was needed since majority of employees worked in the agricultural sector, but its state was underdeveloped.[54] There was a high fragmentation of land ownership (majority of farmers owned only a small portion of arable land) while a small number of large landowners – usually former nobility owned large areas thereof; therefore, part of the land taken was re-allocated to landless and small peasants, and part for construction[55]). The reform was criticised as confiscatory by some authors,[56] but actually, it was implemented at only about 40% until the disintegration of CSR.[57]

Act No. 309/1920 Coll. *on the levy on property and the levy on increase in property* was adopted as a means of defraying the costs of *"the restoration of the currency, the settlement of the burdens taken over from the Austro-Hungarian Bank"* and other *"heaviest burdens from the establishment and defence of the independence of the Czechoslovak State"* (Section 1 of the Act), which remained in force until 1946, when it was replaced by new legislation. Kozák describes them as a levy on net property (**levy on property**) and a levy on the active balance resulting from the deduction of the value of property as at 1 January 1914 (**levy on increase in property**).[58] In view of the subsequent deflationary crisis and the fall in the value of the currency in the neighbouring countries, the levy was extremely heavy,[59] which is why the rates were reduced in 1924.[60]

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50 For new buildings built on land which in 1893 was owned by the State or used by the military administration, there was a complete exemption from tenancy house tax and surcharges for a period of 12 years.

51 Exemptions for new buildings and renovations were introduced for a period of 20 years.

52 The exemption was also extended to later completed buildings; buildings with small flats were exempted for a period of 50 years.

53 See: FUNK, Naše, p. 343.

54 MIČKO, Hospodárska, p. 34.

55 HONS. Postavení Slovenska v zákonodárství republiky. In *Právny obzor*, 1926, vol. 9. is. 4, p. 96 and is. 6, p. 155.

56 PEKAŘ. *Omyly a nebezpečí pozemkové reformy*. Praha 1923, pp. 35 et seq.

57 MIČKO, Hospodárska, p. 36.

58 KOZÁK, Československá, p. 110.

59 KRNO. Dávka z prírastku hodnoty nemovitostí v obciach. In *Právny obzor*, 1924, vol 7. is. 9, p. 289.

60 KOZÁK, Československá, p. 110.

Starting the preparation since 1922,[61] the expected comprehensive reform of the fragmented and chaotic system and its territorial and substantive unification[62] was realised in 1927 after the stabilisation of currency. Its benefit for Slovak part was i.a. the replacement of Hungarian laws that imposed larger tax burden on taxpayers than in the Czech part.[63] The basis of the reform was a comprehensive Act No. 76/1927 Coll. *on direct taxes*, standing on the principles valid in the Austrian part of the former monarchy,[64] and the newly developed land cadastre (Act No. 177/1927 Coll.). Besides other direct taxes (as the focus of the reform was on adjusting income taxation), the Act contained a more or less new RPT regulation; the former concept of tax (land tax and a two-tier house tax) was followed, though. These taxes were regulated as revenue type taxes – in which the revenue is determined, in principle, objectively (i.e. regardless of the individual circumstances of the taxpayer).[65] Act No. 204/1919 Coll. *on house (tenancy) tax exemptions*, part of Act No. 170/1919 Coll. – limiting the surcharges of self-government ("SG") units on tenancy house tax, Act No. VII/1875 *on land tax* (only as regards the land cadastre) remained valid. The Act on direct taxes was implemented by government regulations (RPT-relevant were No. 175/1927 Coll. and No. 15/1937 Coll.).

Land tax

The taxpayer was the land-holder[66] registered in the land cadastre and subject to tax was all the registered farmable land (except for infertile soils, roads, town squares, public railway areas, public canals, etc.), without regard of actual farming performed. The tax base was the twentyfold and seventeen fold of the registered cadastral yield[67] for forests and other lands respectively. Tax rate was set at 2%[68] and a special contribution at the rate of 1.5%[69] was levied altogether.

The Act set two types of exemptions – permanent and temporary, decided on by the financial offices upon taxpayer's request. Permanent exemption was granted to publicly non-commercially used gardens of public corporations, tree

61 SKALOŠ, Historické, p. 11.

62 MALÝ, Dějiny, p. 422.

63 SETON-WATSON, Nové, p. 84.

64 FUNK, Naše, p. 49.

65 FUNK, Naše, pp. 50–51; similarly, BRÁF, Finanční, p. 265 et seq.

66 Ownership was not required.

67 I. e. statutory-set value. FUNK, Naše, p. 333.

68 Effectively 40% for forests and 34% for other lands of actual cadastral yield as compared to previous 22.7% of the cadastral yield. ŠIMEK. Návrh zákona o přímých daních (dokončení). In *České právo: časopis spolku notářů československých*, 1926, vol. 8, is. 10, p. 87.

69 With some exemptions for small land-holders (cadastral yields up to CZK 120).

and wine nurseries, protective dikes, commercially unused water reservoirs, cemeteries, playgrounds, etc.; temporary exemption to formerly infertile soils for 10, 25 or 40 years after fertilisation or afforestation respectively, vineyards for 8 or 10 years. The Ministry of Finance ("MF") was granted the competence to exempt land on which mass settlement took place in accordance with the settlers' costs and their property/family conditions for up to 6 years.

The Act set a system of aliquot compensation of land tax, special contributions and surcharges in case of extensive natural disasters through a specialised fund and aliquot reduction of tax and special contribution upon taxpayers' request in case of natural disasters requiring the reforestation of at least ¼ of the forest complex.

House tax

Subject to house tax were all the buildings firmly connected to the ground or placed in the ground, as long as they were intended for permanent purposes, together with their built-up area and the courtyard. Tax-excluded were certain buildings owned by the state and foreign states, by social and health insurance companies, cemeteries, certain church-owned buildings, establishments and warehouses used for production. Permanently exempted were non-state-owned buildings used for state/public administration, the Czechoslovak Red Cross, public purposes serving buildings, and MF could exempt other non-profit public, charitable, or unused memorial buildings. The exclusion/exemption covered also service flats and the like, however, in all the above cases, did not cover premises let for a remuneration. Temporary exemption (covering also the surcharges) were targeted at promotion of the construction industry[70] and could be granted upon request to new buildings, extensions, superstructures, and complete or partial reconstructions for the period of up to 6 years (12 years for houses[71] with small flats or small establishments[72]). Alongside these, special exemptions from house tax provided by the Act No. 100/1921 Coll. remained valid.

The taxpayer was the owner or the permanent user, or all the co-owners separately. The buildings were taxed according to either their rental income (tenancy house tax) or the number of habitable rooms (class tax) – the taxes did not overlap.[73]

Tenancy house tax

Buildings subject to tenancy house tax were either (a) all the buildings (in Prague, Brno, Bratislava, spa towns and other tax-listed places with more than 1/3 of

70 FUNK, Naše, p. 345.

71 Excluding luxury houses, hotels, etc.

72 Up to 80 sq. m. (flats) and 46 sq. m. (other establishments).

73 RADVAN, Zdanění, p. 22.

habitable rooms rented as at 1 January), or (b) only those buildings that were actually fully or partly rented (in other locations). The tax covered buildings regardless of whether they were used for housing or other purposes.[74] The base of taxation was the actual (gross) rent or the rental value[75] in that tax year reduced by a limited number of deductibles.[76] In case of partly rented buildings, the tax consisted of the tenancy house tax (for the rooms actually rented) and the class tax (for the rest of the building). The rental value (not the actual rent) was used in specific cases (usage by the taxpayer, let for free or for a lower than market rent, doubts in payments declared, hotels, etc.). The rate was 12% for Prague, Brno and Bratislava and 8% for the rest of locations but, the actual tax could not be lower than the class tax would be. There were also reliefs granted to small-flat owners who renovated them in 1935 (30% of the renovation costs – up to one fifth of the tax base).[77] In 1939, Act No. 255/1937 Coll. *on tax reliefs for house repairs* relieved owners of houses completed before 1 January 1918 from tenancy house tax by reducing the tax base by 30% of the renovation costs in each of the tax years 1940–1941.

Class tax

The buildings comprising habitable rooms (defined by the law) located in places non-listed for tenancy house tax that were not let as at 1 January were subject to the class tax. For the assessment purposes, the law distinguished 10 classes according to number of habitable rooms[78] in the building, to which particular tax rates were assigned (from 5 crowns for 1-room buildings to 170 crowns for 16-room buildings; then the rate increased by 20 crowns for each additional habitable room)[79].

The class of each building was registered in the class tax cadastre and, afterwards, noticed to the taxpayer; the annual tax assessment was carried out by the assessment office based on the cadastral data without issuing payment orders. Registration of ownership in the cadastre had no private law consequences and an error in the cadastre must not have been to the detriment of the state treasury. Tax reliefs were granted to all-year vacant buildings with up to 8 habitable rooms

74 FUNK, Naše, p. 346.

75 I.e. the value that would be gained by the rent in the local market taking regard of location, purpose, size, facilities, duration of rent and other relevant factors.

76 Fees and utilities included in the rent paid to municipalities, e.g. local fees, water and sewage fees, and rent paid to the owner of the plot; for spa houses, 50% of the gross annual rent was also deductible as for amortisation.

77 Government Regulation No. 159/1934.

78 So-called Austrian method of classification. BRÁF, Finanční, p. 298.

79 Rates were increased by 30% for luxury buildings and reduced by 50% for flimsy residential buildings with up to two rooms (if the taxpayer had only one such building).

(full relief) and to buildings damaged or destroyed by a natural disaster without fault of the owner (according to the extent of the damage).

As a result of a reform, the land tax was increased,[80] but a wider range of exemptions was introduced,[81] making it more favourable to taxpayers[82] and tending to larger support of agricultural production.[83] Its legal regulation remained essentially unchanged, only unified.[84] Compared to the previous regulation, the scope of the tenancy house tax was extended (to the detriment of the class tax), its tax base was changed and the rates were reduced, a more appropriate graduation of rates was made for the class tax, and the permanent exemptions were adjusted according to material aspects.[85] The desired result of the reduction of tax burden was mainly achieved by limiting the municipal surcharges, because, according to Engliš, it was these that made revenue taxes unbearable – they were limited according to their objective bearability,[86] even though, a more even distribution of the tax burden among taxpayers has not always been met in practice. If a municipality collected more than 150% of the municipal surcharges in a year before, the entire house tax revenue accrued to the municipal budget.

The modernisation of the tax system created better conditions for business activity and thus for economic development in general; slight surpluses in the state‘s final account in 1927–29 allowed the gradual repayment of the state debts; but the situation worsen with the economic crisis after 1930 and a recurring need to invest in the defence, leading into raise in tax burden mainly due to surcharges, raise of some taxes and imposing new ones.[87]

Surcharges and other charges

The system of state taxes was supplemented by the so-called surcharges[88] on taxes and other charges. Beside state ones (e.g. war surcharges,[89] health

80 Its valorisation was necessary for the conditions of the post-war period. ENGLIŠ, Tři roky, p. 820.

81 For commercially unusable land, vineyards and new mass colonisation of land. KOZÁK, Československá, p. 99.

82 ŠOUŠA, Daně, p. 126.

83 KOZÁK, Československá, p. 95.

84 ŠIMEK, Návrh, p. 87

85 FUNK, Naše, p. 343.

86 ENGLIŠ, Tři roky, p. 821.

87 SEKANINA, Kdy nám, pp. 28, 76.

88 I.e. non-separate levies, levied in addition to the state tax (for the benefit of the state) or besides it (for the benefit of autonomous unions). FUNK, Naše, p. 38.

89 Originally imposed by the Hungarian legal article IX from 1918, re-regulated by the CSK in the Act No. 132/1920 Coll. The surcharges kept being re-established on annual/biennial basis until their abolishment in 1927. See SCHWARZ. *Československé daňové zákony: obsahují*

surcharge[90], 25% surcharge on land tax for the purposes of the state fund for water management amelioration[91]), most of the surcharges were levied by the local SG units based on the Act No. 329/1921 Coll. *on the transitional regulation of the financial management of municipalities and cities with municipal rights*.[92] This led to increase of the overall tax burden and substantial differences between the levels of tax burden in various municipalities.[93] The newly adopted Act No. 77/1927 Coll. *on the new regulation of the financial management of local self-government units* limited the maximum rates of SG's surcharges[94] by specifying that, for 1928, these may be levied on land tax, house tax and other taxes as surcharge of the Lands,[95] the districts and the municipalities up to 160%, 110% and 200%,[96] respectively; the limits were raised for the following years. In the years 1946–1948, no surcharges were collected, but the state remitted their compensation on the basis of Act No. 249/1946 Coll. *on the temporary regulation of the financial management of local self-government units and some other public law entities*.

As for the separate municipal levies, these were regulated by Act No. 329/1921 Coll. and covered e.g. **the levy on increase of the real property value**, which stayed obligatory also during the war period,[97] and other facultative levies: **on rent or on used rooms, on temporary accommodation, on vacant (undeveloped) plots, luxury levy** (e.g. on luxury flats[98]), etc.;[99] other levies might have been imposed only with the consent of the government. It is interesting that a sample regulation of these levies was provided by Annex III to Government Implementing Regulation No. 143/1922 Coll. to the Act.

československé zákony o přímých daních, státních a autonomních přirážkách, vojenské taxe, finančním hospodářství obcí a j. v. Praha 1923, p. 328 et seq.

90 Introduced by Act No. 477/1921 Coll. at the rate of 8%, from 1939 at the rate of 7%. It was paid until 1947.

91 Act No. 49/1931 Coll.

92 The Act also passed to the municipalities the revenue from the levy on the increase in the value of RP, which formerly belonged to the Lands. ŠOUŠA, Daně, p. 120.

93 RADVAN, Zdanění, p. 22; HORÁČEK. O finančním hospodářství samosprávných svazků. In *Obzor národohospodářský*. Praha 1923, vol. XXVIII., p. 149.

94 Which severely affected them. KOZÁK, Československá, p. 94.

95 That were Bohemia, Moravia, Silesia, Slovakia, and Subcarpathian Russia, formally established in 1927.

96 Municipal surcharges above 100% required authorisation by higher authorities.

97 Based on Act No. 290/1940 Coll.

98 The flats where the number of rooms exceeded the number of household members by more than 1 room; the rate was from 200 to 1,200 crowns, in case of more than 4 excess rooms 1,000 crowns for each additional room.

99 See more HORÁČEK, O finančním, pp. 145-154.

1.2 World War II period

With the approaching war, the impacts of Germany on the situation of the CSR gradually led to changes in the organisation of the state. The first major change occurred in 1938 by adopting the Constitutional Act No. 299/1938 Coll. *on the autonomy of Slovakia*. It also affected the regime of tax legislation, as it defined in Section 4 that, in matters of taxes, levies and charges and the principles of indirect taxes, the legislative power for the entire territory of the CSR was exercised by the National Assembly and, subsequently, under Constitutional Act No. 330/1938 Coll. *on the power to amend the constitutional charter and constitutional laws of the Czechoslovak Republic and on the extraordinary power of adopting decrees*, the President and the Government were empowered to adopt decrees with the force of law. This was followed by Act No. 1/1939 Coll. *on the independent Slovak State*, which stipulated that all existing legislation remained in force, with the changes resulting from the spirit of the independent Slovak State.

The period of the Second World War meant the formal independence of Slovakia, but its real dependence on Germany, which was interested in exploiting Slovakia‘s raw material resources and Slovak economy. The war boom period (1939–1943) meant the rapid development of the industrialisation of Slovakia, preceded by the completion of large-scale factories and, in particular, the extensive building of infrastructure in 1936–1938. High German investment, laws on the promotion of industry and some tax reliefs,[100] and the good policy of Slovak economists[101] contributed to the strong economic growth; followed by a period of stagnation after 1943, aided by German plunder towards the end of the war. The state pursued a strong social policy, thanks to which it maintained the highest standard of living in the Central European region.[102] Despite this, the overall (not only) economic situation was under the influence of Nazi Germany and, the goals and the focus of tax legislation corresponded to this state of affairs, as well.

During the war period, the Act No. 76/1927 Coll. was also amended, but none of these concerned the RPT. A number of related regulations were adopted, though, serving especially the purpose of construction promotion, namely a series of Decrees with the force of law (No. 57/1939 Coll., 132/1940 Coll., No. 276/1941 Coll., No. 26/1942 Coll. e.a.), and 6/1943 Coll. *on tax reliefs*

100 Act No. 299/1940 Coll. *on promotion of industrial construction, e.a.* (Acts No. 122/1940 Coll., 307/1940 Coll. and 187/1942 Coll., and Government Decree No. 76/1940 Coll.), that enabled larger tax depreciation for entrepreneurs who constructed buildings for dwellings for own employees or for the operation of businesses.

101 Especially Imrich Karvaš and Peter Zaťko. MIČKO, Hospodárska, p. 68.

102 MIČKO, Hospodárska, p. 77.

for house repairs, which followed the former regulation of Act. No. 255/1937 Coll. in the same manner; Act No. 75/1941 Coll. *on the promotion of the construction business* (which, i.a., relieved the new buildings, extensions and alterations finished between 1941 and 1943 from house tax, surcharges and levy on rent or on used rooms for 15 years and for 25 years as regards houses with small apartments); and the fiscal purpose: Act No. 74/1941 Coll. *on the health surcharge* with Act No. 107/1943 Coll. *on the tax on war profits of profit-making enterprises and occupations and on the war surcharges to the land tax and the class house tax* and Act No. 105/1944 Coll. *on the war tax, on the tax on war profits and on the war surcharges to the land tax and the class house tax* (they introduced the war surcharges for the years 1943 and 1944 at 100%[103]).

Special position had the legislation on Jews: i.a., under the Act No. 46/1940 Coll. *on land reform*,[104] the State Land Office should exercise the right of redemption over all agricultural properties owned by Jews according to the state inventory or this could have been bought by non-jewish persons,[105] Government Decree No. 199/1941 Coll. *on* ***extraordinary levy on Jewish property***[106] and, mostly, by Government Decree No. 198/1941 Coll. *on the legal status of the Jews*, under which Jews could not acquire any real property, except by inheritance and, their agricultural property was confiscated by the state (for a formal compensation) based on the decree of the State Land Office and until then, a special **contribution** of 20 crowns per hectare was levied and collected by the said office annually from the owner (likewise in case of the above mentioned redemption).

The confiscation of Jewish property during the war was interchanged for the confiscation of German, Hungarian and other "traitors´" property after the war (1945), also by the decrees of the president Nos. 12 and 108 (so called Beneš decrees).[107]

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103 Except (a) where the land tax for a single taxpayer in a single municipality did not exceed Ks 10, and (b) buildings with one habitable room.

104 The land reform was also motivated by the large losses of agricultural land after the Vienna Arbitration and the desire to optimize the size structure of farms and intensify agriculture (in the context of the need to supply the population), but these objectives were only partially met, so large-scale subsidies for agricultural production and expansion of cultivated agricultural land were introduced; in 1939–1941, up to 51 hectares of the land were thus acquired. MIČ-KO, Hospodárska, pp. 101-104.

105 In addition, the seller – a Jew had to pay a fee of 10% of the purchase price of the property.

106 At the rate of 20%.

107 SUDZINA. Vyvlastňovanie pozemkov a stavieb a nútené obmedzenie vlastníckeho práva k nim. In *Košické dni súkromného práva I*. Košice 2016, p. 294.

1.3 Post-war period

In post-war Czechoslovakia, the development was determined by the ideas of the Communist Party, which had already won the elections in 1946, but since it did not gain majority until after the elections in 1948, the so-called mixed economy type (with a nascent planned economy) was applied in this period.[108] The legal status of the pre-Munich republic was restored with minor changes.

Act No. 134/1946 Coll. *on the* ***levy on increase in property*** *and the* ***levy on property*** newly regulated these levies (of a tax nature[109]) and – with the obligation to declare all domestic property and that lying abroad (except for the state, municipalities, diplomats) – agricultural and forestry property, land and house property, earning property and other property were subject to them. This was followed by Act No. 185/1947 Coll. *on an* ***extraordinary one-off levy and an extraordinary levy on excessive increases in property***,[110] adopted to compensate for the damage caused by the extraordinary drought of 1947.

The adoption of the Constitution of the Czechoslovak Republic (Act No. 150/1948 Coll.) formally declared the newly forming regime fighting against the capitalists, big landowners and bourgeoisie, building the state as a people‘s democracy leading to socialism, with an economy based on nationalization, the inviolability of personal property (but limitation of private ownership) and the principle that the land belongs to those who work on it.

The Act No. 76/1927 Coll. was amended two times as regards the RPT – the first by the fundamental Act No. 49/1948 Coll. *on the agricultural tax* with effect from 1 January 1948, which also increased the land tax rates from 2% to 6%, and the second by Act No. 27/1950 Coll. *on state support in natural disasters* with effect from 22 April 1950, which abolished the Protectorate's Disaster Relief Fund. Act No. 49/1948 Coll. established a new **agricultural tax**,[111] which taxed organisations and natural persons active in the field of agricultural production and services;[112] at the same time, it excluded from the scope of the Act No. 76/1927 Coll. the income of natural persons engaged in agricultural production on their own account on up to fifty hectares of land with cadastral yield (from the subject of personal income tax and general tax on earnings), as well as land relating to

108 LONDÁK. *Ekonomické reformy v Československu v 50. a 60. rokoch 20. storočia a slovenská ekonomika*. Bratislava 2010, p. 10.

109 KARFÍKOVÁ. Daně a poplatky v Československu v letech 1945–1992. In STARÝ, *Dějiny*, p. 167.

110 So-called millionaire levies. KARFÍKOVÁ, Daně, p. 168.

111 Its idea was contained in the so-called Hradec Programme of minister Ďuriš. SKALOŠ. Právna úprava pozemkového vlastníctva v Československu do prijatia občianskeho zákonníka z roku 1950. In *Days of Law 2011*. Brno 2012, p. 195.

112 RADVAN, Zdanění, p. 25.

such agricultural production (from the subject of the land tax), but in respect of other land, the land tax continued to apply until the end of 1952, when the Act No. 76/1927 Coll. was repealed. In line with the objectives of the Government Programme Statement,[113] the tax was intended to support small and medium-sized farmers[114] (and thus get their political support for the newly dominant communist party) as opposed to big farmers who were treated as exploiters, but, above all, it played an important role in the transition from capitalism to socialism and served as an instrument for strengthening the union of workers with small and medium-sized farmers and for restraining village capitalists (together with the land reform performed in this period)[115]; consequently, it aided the collectivisation process.[116] The tax was set at a flat amount and depended on the locality – the production region in which the land was located (beet, grain, potato, and fodder regions) and the total area of land belonging to one farm[117] as well as its cadastral yield according to the tariff;[118] the rates were reduced when several persons were employed or farmed together within one farm. Only agricultural land was subject to the tax. Exemptions were limited, e.g. in time for newly established vineyards, hop farms or orchards, with the power of national committees[119] to reduce the tax in selected cases by up to 50% (e.g. military zones).

1.4 Period of socialism

Legislation in this period underwent a conceptual change triggered by the goals of building socialism, and thus a corresponding adjustment of taxes along the Soviet model occurred. Act No. 76/1927 Coll. was repealed with effect from 1 January 1953 – in respect of the house tax by Act No. 80/1952 Coll. *on the house tax*. The 1948 land tax was replaced in 1952 by new legislation – Act

113 *Government Programme Statement of 10 March 1948* [online]. p. 6 [cit. 2022-11-04]. Available at: <https://www.vlada.cz/assets/clenove-vlady/historie-minulych-vlad/prehled-vlad-cr/1945-1960-csr/klement-gottwald-2/ppv-1948-gottwald2.pdf>

114 GRÚŇ, Daňové reformy, p. 650; they paid only a small or no tax.

115 Resulted into seisure of land above 50 hectars per family (or even less if rented) by last regulation in 1948, which was attributed to the state and unified agricultural cooperatives, though, not the small farmers as before (SKALOŠ, Právna, p. 192); thus big landowners were eliminated.

116 BOROVIČKA. Zdaňování občanů podle nového zákona o zemědělské dani. In *Acta Universitatis Carolinae: Iuridica*, 1989, vol. 35, is. 5, p. 17.

117 A farm was the aggregate of all property objects and rights which formed an economic unit and serve permanently agriculture, forestry or fishery as their main purpose, with the exception of participation in capital companies, securities and savings deposits.

118 For example, in the beet region, for plots of up to 10 hectares on a single farm and with an average cadastral yield of CSK 5 to 30, the basic rates were CSK 1,370 to 2,630.

119 Name of local state administration between 1945 and 1990.

No. 77/1952 Coll. *on the agricultural tax*. The group of new laws regulating all the taxes adopted in 1952 (Kabeš tax reform[120]) created a new socialist tax system which corresponded to the directive management of the economy (and society). Land taxation was mainly aimed at rural development and increasing the (efficiency of) agricultural production through collectivisation, by a massive support and favouring the establishment of unified agricultural cooperatives ("UAC"), which were perceived as *„the basic form of socialist agricultural mass production, the basis for the sustained and rapid growth of all branches of agricultural production"*,[121] and the (forced) expansion of their membership (from the ranks of individual farmers); taxation of buildings was, in turn, targeted at the development of construction (especially in the context of the housing shortage in the post-war period), penalising private owners renting buildings with passive income therefrom, and later (after the adoption of the Constitution of the Czechoslovak Socialist Republic in 1960) favouring personal ownership over private one.[122]

In the 1960s, economic and political problems resonated in Czechoslovakia – most attention was paid to the need for structural changes and reform of the management system. As a consequence of the economic crisis and the collapse of the 3rd Five-Year Plan (1958–1963), followed even by the questioning of the correctness of the previous political management, in the post-1963 period, in addition to several social changes of the starting liberalisation of the then regime,[123] a reform towards the introduction of a market system (or sort of inclusion of market and planned economy)[124] was being prepared (including the tax reform) under the leadership of professor Ota Šik. Unfortunately, it was not implemented due to the intervention of the Soviet Union in 1968.[125]

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120 Josef Kabeš was minister of finance from 5 March 1949 to 14 September 1953. *Overview of government members*. [online]. [cit. 2022-11-04]. Available at: <https://vlada.gov.cz/cz/clenove-vlady/historie-minulych-vlad/prehled-vlad-cr/1945-1960-csr/antonin-zapotocky/prehled-ministru-24679/>

121 *Government Programme Statement of 16 April 1953* [online]. [cit. 2022-11-04]. Available at: <https://www.vlada.cz/assets/clenove-vlady/historie-minulych-vlad/prehled-vlad-cr/1945-1960-csr/antonin-zapotocky/ppv-1953-1954-siroky1.pdf>

122 While personal property enjoyed protection and was declared inviolable, private property was not granted protection, as it was considered to be obsolete and was ignored and discarded. SUDZINA, Vyvlastňovanie, p. 291.

123 Rehabilitation of those affected by the political trials of the 1950s began. LONDÁK, Ekonomické, p. 144.

124 The so-called second economic reform (the first one – Rozsypal´s reform – was prepared in the second half of the 1950s) resulted from the failure of the economic management system determined only by the application of Soviet models and management methods, which was directly criticized by O. Šik – he identified the unscientific, dirigiste way of planning as the source of economic difficulties. LONDÁK, Ekonomické, p. 10, 143-144.

125 BALÁŽI. Historiografia financií v období centrálne plánovaného hospodárstva pri uplatnení

Funding at the local level, where SG has essentially been abolished, has also received new legislation (Act No. 279/1949 Coll. *on the financial management of national committees* repealed Acts No. 77/1927 Coll. and No. 329/1921 Coll. as of 1 January 1950, but kept the original levies and charges in force until the new legislation entered into force).

Taxation of buildings

The new **house tax** legislation in force from 1953 replaced the previous house tax enshrined in the Act No. 76/1927 Coll., but also the levies of the national committees on the house property, and the proceeds of the tax were established for the benefit of local national committees. The subject of the tax were residential and operational buildings (factories, warehouses, etc.), established for permanent purposes, with a built-up area, a courtyard and a house garden. The taxpayers were (a) individual owners, (b) cooperatives, voluntary organisations and other legal persons and associations of persons – as regards buildings owned or in permanent use, and (c) economic organisations which had state-owned buildings under their management or in permanent use. The tax obligations applied equally to the user of the building. The tax base and the tax rate were determined in three regimes:

(a) For rented buildings, the tax was calculated on the rent and the price of use in a current calendar year, with the price of use increased by 10% to 80% if a house garden was used with the building; the rate was 45% of the tax base, or 50% if the tax base exceeded CSK 30,000; the rates severely penalised the owners of tenement houses.[126]

(b) For unrented buildings, the tax was calculated according to the built-up area, and the area was also the tax base for wholly or partly rented buildings in municipalities with up to 2,000 inhabitants, as well as for buildings with less than half of the habitable rooms rented in municipalities with 2,001 to 6,000 inhabitants. In contrast to CSR legislation, buildings used by the owner himself or let as service flats were also considered to be unrented. The tax rate was set from CSK 4 for each sq. m. of built-up area in municipalities with up to 1,000 inhabitants to CSK 13 for municipalities with more than 25,000 inhabitants, and CSK 25 in Prague, Brno, Bratislava, and spa towns. In the case of multi-storey operational buildings, the same tax was paid on each floor as on the ground floor. The tax was further increased,[127] but the national committee could reduce the

fiškálneho centralizmu. In *For fin: odborný mesačník pre financie a investovanie*, 2016, vol. 3, is. 10, p. 2.

126 SKALOŠ, Historické, p. 14.

127 E.g. by 100% for multi-storey residential buildings, by up to 50% for rented buildings, and MF could determine other cases, too.

tax appropriately, or waive it altogether in the case of flimsy buildings. These rates could be changed by the government by resolution.

(c) For the buildings of economic organisations and cooperatives, the tax was calculated on the value declared in the assets of the balance sheet as at 1 January of a current calendar year, and the rate was 1%.

To mitigate or eliminate hardship, the district national committees could reduce or remit the tax on a case-by-case basis, allow instalment payments or extend the due date of the tax if payment without delay would cause serious harm to the taxpayer. Exemptions were granted by the Decrees of MF No. 370/1952 Coll. *implementing the Act on House Tax* and No. 4/1960 Coll. *on the exemption from house tax of buildings serving cultural purposes*.

On 30 November 1961, a new Act No. 143/1961 Coll. *on the house tax* was adopted, which, with one amendment in 1974, remained in force until the establishment of SR, and which *"also simplified the house tax in accordance with the achieved degree of development of socialist production relations"* (Section 1 of the Act). Buildings set up for permanent purposes (including the built-up area, the courtyard and the house garden, which, however, based on Act No. 134/1974 Coll. was untaxed from 1975) were subject to the house tax, except for buildings in socialist ownership, which narrowed the scope of taxable objects. The taxpayer was the owner or user. Buildings used by diplomatic representatives and those exempted under international treaties were exempted. The tax base was either:

- the built-up area (for family houses used by the owner or his close persons – i.e. unrented, also cottages for recreational purposes and detached unrented garages),[128] or
- the sum of the rent and the price of use[129] of the preceding calendar year, after deduction of deductibles verifiably paid[130] (for other buildings – whether rented or not) – in the context of the so-called "unearned" income of the owners of tenement houses.[131]

In the first case, the tax rate on each sq. m. of the built-up area started from range of CSK 0.80 to CSK 1.20 in municipalities with up to 1,000 inhabitants to range of CSK 5 to CSK 7.50 in Prague, Brno, Bratislava, and spa towns – the tax was calculated according to the lower rate, and the national committee could apply the higher rate to multi-storey buildings, partly rented, particularly well-equipped or with a house garden and, conversely, reduce it appropriately or

128 See also KARFÍKOVÁ, Daně, p. 191.

129 Equivalent to the rent that would be obtained by renting.

130 I.e. water, sewerage, waste collection fee, etc.

131 SLOVINSKÝ et al. *Československé finančné právo*. Bratislava 1985, p. 174.

waive it altogether in the case of flimsy buildings, unrented emergency buildings and residential cottages, or in the case of the removal of the harshness of the law.

The tax rate in the latter case was kept at 45% of the tax base or 50% if the tax base exceeded CSK 6,000, i.e. the taxation of rented buildings was many times higher than the taxation by area,[132] which again served, in addition to providing the revenue for the management of the housing stock, to "suppress the remnants of the private sector",[133] which was undesirable in a socialist system. A specific restrictive feature of this taxation was the obligation of the buildings´ owners where the rent exceeded CSK 3,000 per year[134] to pay the entire rent into a special account at State Savings Bank, from which the house tax was paid, and a further 30% of the rent, as well as the amounts by which the house tax was reduced under Decree of MF No. 14/1968 Coll., were tied up in a repair account. Only the remainder was available to the owner. This obligation was stipulated by Decree of MF, Prices and Wages No. 219/1988 Coll. *on the payment of rent into special rent accounts*.[135]

The Act was implemented by Decree of MF No. 144/1961 Coll.

House tax reliefs were established by Decrees of MF No. 66/1966 Coll. *on assistance in the construction of residential houses with flats in personal ownership and on the sale of flats from the national property to citizens* and No. 14/1968 Coll. *on house tax relief*, Regulation of the Government of the Slovak Socialist Republic No. 83/1978 Coll. *on the exemption of residential buildings with flats in personal ownership from the house tax* and, Government Regulation No. 65/1991 Coll. *on house tax relief*.

Taxation of land

Adopted in 1952, Act No. 77/1952 Coll. *on agricultural tax* conceptually followed the previous legislation on **agricultural tax** and taxed income from agriculture of both individuals and UACs, with the exception of income from the farms belonging to the state socialist sector. The taxable income was calculated according to standard average yields per hectare of agricultural land set annually by the Government and the total area of all land capable of being cultivated by the farm. Thus, the tax was levied on land only indirectly, through the yields from it. The Act clearly favoured UACs by granting reliefs to their members;[136]

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132 RADVAN, Zdanení, p. 27.

133 SLOVINSKÝ, Československé, p. 174; ZAHÁLKA. *Finanční právo*. Brno 1984, p. 179.

134 It was CSK 15,000 under the previous legislation.

135 Formerly by Decree of MF No. 153/104.470/1953 *on the payment of rent monthly in arrears, measures applicable the house tax, and special building rent accounts in state savings banks*.

136 GRÚŇ, Daňové reformy, p. 651.

reliefs were also granted by Decree No. 2/1954 Coll. *on the granting of reliefs on agricultural tax*.

The new Act No. 50/1959 Coll. *on agricultural tax* similarly taxed income from agricultural production carried out on an individual or joint account and differentiated between UACs and other natural persons as taxpayers. The Act focused more on agricultural organisations and, as regards citizens, essentially maintained the system of taxation introduced in 1952.[137] The tax base was the taxable income earned in the year of assessment – for UACs it was determined according to the UAC's annual statement and for other taxpayers was calculated as under the previous legislation. The tax rate was determined as a percentage of income for UACs and as a combined rate for individuals, graduated according to the amount of the tax base (from 5% of the tax base less or equal to CSK 4,000 up to CSK 4,280 plus 30% of the tax base exceeding CSK 30,000). In addition to increasing the tax for childless taxpayers and reducing the tax for taxpayers with minor children, the Act provided for a tax-exempt minimum of CSK 4,000 for individuals whose entire income was derived solely from agricultural production and, the possibility for the national committee to increase the taxable income by up to 100%, taking into account the taxpayer's extraordinary income, or, conversely, to reduce it by up to half for small farmers, if local circumstances so required. Since individual members of UACs were exempt from tax, the taxpayers who became members of a UAC during a year were partially relieved from tax, while the tax was levied additionally in case of withdrawal or expulsion from a UAC. From 1963, raised were both the tax rates for UACs and the amount of tax for individuals engaged in agricultural production on more than 0.20 hectares whose other income exceeded their income from agricultural production (up to 100%) and for taxpayers growing vines on more than 0,05 hectares for wine/grapes which they did not deliver at the stipulated purchase prices to the central funds or which they used for their own consumption in excess of the stipulated quantity. The Act was implemented by Decree No. 163/1959 Coll. *implementing Act No. 50/1959 Coll. on agricultural tax*.

A significant change was the adoption of Act No. 112/1966 Coll. *on agricultural tax*, which effectively divided the agricultural tax into **land tax** and income tax. The subject of the land tax was all land registered in the land cadastre as agricultural land, irrespective of whether it was actually cultivated or used for other purposes, and certain non-agricultural land (commercially exploited water areas and private – citizen-owned ornamental gardens). Tax exemption applied to retrieved land for 5 years after it was returned to agricultural production, to hops, vineyards and orchards with a minimum area specified (for 2, 6 and 4

137 BOROVIČKA, Zdaňování, p. 17.

years), land temporarily withdrawn from agricultural production and kept in special registers, land used by diplomatic representatives, and land managed or used by local national committees. The taxpayer was the user of the land, and in the case of land used as allotments (individual or communal), the tax was paid by the UAC, which could claim the tax paid from the members of the cooperative. The tax was based on the total area of land subject to the tax, excluding the area of gardens and land belonging to holiday cottages (up to 400 sq. m.) and land belonging to family houses (up to 800 sq. m.). The tax rate per hectare of land was defined in the tariff according to the individual natural habitats,[138] and 50 CSK per hectare for commercially exploited water areas, regardless of the classification of the natural habitat. The national committee could reduce the tax by up to 50% on the grounds of the impossibility of full agricultural use, a significantly worse condition compared to other land in the municipality, or permanent withdrawal of the land from agricultural production; the tax could also be reduced or completely waived in other cases.

Also in the context of income tax, land use was partly taken into account indirectly in the taxation of citizens (income calculated according to standard average yields per hectare of agricultural land, graduated according to the natural habitats and the total area of all land suitable for agricultural cultivation). However, the members of UACs were exempted from this tax. The Act was implemented by Decree No. 114/1966 Coll. *implementing the Agricultural Tax Act*.

The new Act No. 103/1974 Coll. *on agricultural tax* divided the tax into a land tax, a tax on profits, a tax on wages and salaries and a tax on citizens' income from agricultural production. The aim of this Act was, among other things, to promote the planned development of agriculture, increase efficiency and unify the tax system for all organisations engaged in agricultural production and services; in particular, the land tax was aimed at increasing efficiency in the land use and reducing disparities in the income of agricultural organisations.[139] It was almost identical to the previous legislation (minor adjustment of the scope of excluded land, including the amendment in 1980, or minimal adjustment of tax exemptions and reductions). The tax rates were slightly increased – up to a maximum of CSK 1,000 for the most valuable land, followed by a significant increase from 1980 (up to a maximum of CSK 1,500). This increase pursued not only a fiscal objective, but also the proper cultivation of land (as it was

138 44 classes were created – tax rate levels ranged from zero (for the lowest quality soils, e.g. mountain areas) up to CSK 930 per hectare for the most fertile black soils.

139 SLOVINSKÝ, Československé, p. 154.

paid the same regardless of whether land was cultivated or not).[140] The Act was implemented by Decree of the Federal MF No. 106/1974 Coll. *implementing the Agricultural Tax Act*.

The last law regulating agricultural tax in that period was Act No. 172/1988 Coll. *on agricultural tax*, which was in force until 1 January 1993.[141] The taxpayer of the land tax was the user (primarily the one registered in the land cadastre[142] or, in the absence of a record the actual user), in the case of allotments only the UAC.[143] The subject of the tax was still agricultural land and, in the case of non-agricultural land, only ornamental gardens in the use of citizens. Commercially exploited water areas were no longer taxed.[144] The tax exemptions were defined in a similar way to the previous Act (except for land used by national committees). The tax base was the area of land (excluding land belonging to family houses and selected agricultural land belonging to members of UACs up to 800 sq. m.).[145] Compared to the previous legislation, land was reclassified into new production economic groups with newly adjusted rates[146] which were stipulated in the tariff in descending order with decreasing quality of the land in the range of CSK 3,000 to CSK 150 per hectare; the zero rate applied to production economic groups 21–42 (i.e. in worse natural conditions).[147] The possibility for tax administrators to reduce the tax was extended to buffer zones, airport land and military zones, national parks and other protected areas or natural monuments; for citizens, also if the used land was significantly worse compared to other land in the cadastral area (by up to 50%).[148] Self-employed farmers who started their entrepreneurial activity in agricultural production in 1990 and later were exempted from land tax for a period of two years by Government Regulation No. 48/1992 Coll. *on the exemption of certain types of income from the tax on citizen's income and on tax reliefs for new self-employed farmers*. In spite of the above, Chrastinová assesses the burden of land tax on farmers as high.[149]

140 KARFÍKOVÁ, Daně, p. 185.

141 With the exception of the running-out exemptions.

142 With exceptions – e.g. members of a social organisation to whom the lands were let. Mostly, these were such small plots that the tax did not exceed CSK 100 and thus was not even assessed. BOROVIČKA, Zdaňování, p. 19.

143 Since 1992, an agricultural cooperative or a company predominantly engaged in agricultural production.

144 KARFÍKOVÁ, Daně, p. 201.

145 Where the area was exceeded, the whole land was included in the tax base.

146 BOROVIČKA, Zdaňování, p. 19.

147 Before 1990, they were even granted differential allowances, levelled according to the production economic group, which eliminated the impact of differing natural conditions. CHRASTINOVÁ, Vývoj, p. 544.

148 BOROVIČKA, Zdaňování, p. 21.

149 CHRASTINOVÁ, Vývoj, p. 558.

Charges

The system of local charges was determined by Act No. 82/1952 Coll. *on local charges*, which was in force until 1990. It replaced the previous complex system of municipal levies and charges taken over from the period of SCR, which consisted of 35 different compulsory payments collected by national committees.[150]

The Act was primarily implemented by Decree of MF No. 67/1966 Coll. *on local charges*, but taxation of RP was covered by Act No. 67/1956 Coll. *on the management of flats*, which introduced a (compulsory) **local charge on flats**,[151] together with Decree of the Minister of Finance No. 112/1957 Coll. *on the local charge on flats*, as amended.

From 1 January 1991, new legislation of local charges was applied, namely Act No. 544/1990 Coll. *on local charges*, under which the municipality could impose three charges relating to RP – the **charge for the use of a flat or part of a flat for purposes other than housing**, the **charge for accommodation capacity** and the **location charge**.

1.5 Period of the independent Slovak Republic

After the socio-economic changes in 1989, Czech and Slovak Federative Republic started reform towards a market economy,[152] which led to a gradual comprehensive change of the tax system of the new SR established in 1993. Also the new property tax was to be based on the market value of RP (according to Western experts), which was not possible at the time for economic and political reasons, where Bryson states limitations of that-time new market system (the legacies of socialist era, the state of development, privatisation, political and economic factors limiting the development of local SG).[153] The new Act No. 317/1992 Coll. *on real property tax* unified the previously fragmented RPT legislation by introducing one **real property tax**, which included land tax and buildings tax. The amendment by Act No. 329/1997 Coll., in force from 11 December 1997, separated the tax on flats and non-residential premises in a residential building from the buildings tax. The land tax began to be levied on all land, including land in worse production groups,[154] but the running-out

150 SKALOŠ, Historické, p. 15.

151 Applied to flats with larger habitable area or those used for non-residential purposes.

152 Starting with an economic reform that led to an economic depression (or crisis) within about 2 years. BARÁNIK et al. *Národohospodárska politika*. Bratislava 1995, 293 p.

153 BRYSON, Land, p. 51.

154 This was perceived negatively by enterprises operating in worse production groups. CHRASTINOVÁ, Vývoj, pp. 545, 550. Since the tax revenue was maintained, the tax burden on farmers in production groups 1–20 decreased, however, the farmers in previously untaxed production groups 21–42 became taxed. BOREKOVÁ. Tax development and taxation of products from agriculture. In *Agriculture*, 1998, vol. 44, is. 10, pp. 796-798.

exemptions from land tax and house tax remained in force. The taxpayer was the owner, the manager or the person who actually used the RP, or the tenant in the case of land. The tax base was largely bound to the area (built-up areas for buildings; the price determined in accordance with the price regulations[155] multiplied by the area in the case of arable land, hops, vineyards, orchards, permanent grassland, forests and ponds, and only the area in the case of other land). The tax was administered by the municipal authorities, which could set tax rates for land up to the statutory maximum (1%[156] for arable land, hops, vineyards, orchards and permanent grassland; 0.25% for forest land, fish ponds; CSK/SK 1.00 for building plots and CSK/SK 0.10 for the remaining land – these two rates could be increased by up to 100%). For buildings, the tax rates were CSK/SK 1–10 for each category of buildings[157] with the possibility of setting a surcharge of CSK/SK 0.75 for each additional above-ground storey, followed by the application of coefficients of 0.3 to 4.5 for individual size categories of municipalities and spa towns, and an increase of the tax rate by CSK/SK 2 for each sq. m. of floor area of premises used for business.[158] The range of statutory exemptions was extensive and included both permanent and many temporary exemptions (e.g. for land in national parks, cemeteries, serving public transport services, land on which self-employed farmers started agricultural production for 5 years, new buildings and flats owned by natural persons for their housing for 15 years). Municipal authorities could also grant tax reliefs in selected cases (e.g. land with limited commercial use, land owned by socially deprived citizens, or buildings improving the environment). The Act was implemented by Decree of MF of the Slovak Republic No. 58/1993 Coll. *implementing Act of the Slovak National Council No. 317/1992 Coll. on real property tax, as amended*.

A systematic change occurred in 2005, when the new Act No. 582/2004 Coll. was applied for the first time, which, although took over the most of the previous RPT legislation, built it on the concept of a local tax, not a state tax. The imposition of the tax became decided on by municipalities, which also determined the tax rates without a statutory maximum and could introduce individual types of exemptions (from the list defined by the Act). Since we dealt with the current legislation in detail in other works,[159] we refer to them in this section.

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155 Boreková points out the negative side of the method of setting this price, which is based on the normative gross rent effect, which, however, farms did not achieve. As a result, they paid tax on a fictional rather than a real rent, the tax obligation did not respond to this, though, thereby undermining their economic potential. BOREKOVÁ, Tax, p. 799.

156 0.75% from 1994.

157 Rates for agricultural, industrial, other business buildings and other buildings could be increased or decreased by up to 50% by municipal authorities.

158 Similar system is still present in the Czech Republic.

159 VARTAŠOVÁ. Komparácia systémov miestnych daní v krajinách Vyšehradskej štvorky. In LIPTÁKOVÁ, ed. *Miestne dane v krajinách Vyšehradskej štvorky*. Praha 2021; VARTA-

Conclusions

Historical academic sources show that RPTs were perceived as real and revenue taxes in the past, which corresponded with the then technique of their taxation. Contemporary scholarship classifies RPT as real, but property (not revenue) type tax. In the SR, the above classification of RPT corresponds to the legal situation (since RPT is not based on the revenue from RP), but at the international level, the tax is already diversified (RP is taxed mainly through its market value).

In the course of the historical development of the different RPT laws, we observed a divergence of approach to the application of the State's tax policy, by setting of various tax bases or tax rates in the context of pursuing different objectives. While in the period of the CSR we observed that taxes imposed (also) on RP fulfilled, in addition to the fiscal objective, also the objective of retrieving the war profits and property acquired after the war (levy on increase in property), higher taxation of the "bourgeoisie" (house tax), support for the construction sector due to the housing crisis (exemptions), or more efficient use of the existing housing stock (charge on flats), in WW II period, it was the support of construction (reliefs) and persecution of Jews (special levies and property confiscations), and, in the socialist period, apart from the support for large families (reducing/increasing the tax) and the development of the housing stock (exemptions), the cultivation of less fertile areas and small farming by individuals (agricultural tax), there were also strong efforts to liquidate the private sector – owners of residential buildings and people renting RP (taxation of buildings), "voluntary" handing over of land for the benefit of UACs, or overall preference for UACs (agricultural tax) observed, as taxes generally fulfilled different functions than they do today.[160] A common feature of all periods was the broad system of tax exemptions/reliefs to promote construction of residential premises. In the current period, RPT does not fulfil any especially distinctive function[161] (except perhaps for the support of public benefit purposes, some social aspects, or other minor goals)[162] and primarily serves as a source of local SG revenue.

The complex of the defined payments created a differentiated tax (and the-like) system in specific historical periods characterised by gradual simplification of the system applied from 1918 to 2005. A historical overview of this development is summarised in Table 1.

ŠOVÁ and ČERVENÁ. *Views on Quality of Tax Regulation in the Slovak Republic (Focused on Real Property Taxation)*. Praha 2019; ROMÁNOVÁ, Adequacy, p. 87 et seq.

160 GRÚŇ, Vybrané, p. 125.

161 In the context of the principles of both the universality of taxation and the elimination of the distortionary effects of taxes through the elimination of non-fiscal objectives. SIDÁK and DURAČINSKÁ, Finančné, pp. 193, 195.

162 E. g. due care of buildings may be pursued by the coefficient of tax rate of unmaintained building applicable since 2022.

TABLE 1.: SUMMARY OF APPLICABLE TAXES, CHARGES, LEVIES AND SURCHARGES (1918-2005)

1918-1919	1920	1921	1922-1926	1927	1928-1930	1931-1938	1939-1942	1943	1944	1945	1946	1947	1948	1949	1950-1952	1953-1956	1957-1959	1960	1961	1962-1966	1967-74	1975-1985	1986-1988	1989-1990	1991-1992	1993-2004	2005
house tax VII/1909				house tax 76/1927												house tax 80/1952				house tax 143/1961						RPT 317/1992	RPT 582/2004
land tax VII/1875				land tax 76/1927																							
													agricultural tax 49/1948			agricultural tax 77/1952		agricultural tax 58/1959			agricultural tax 112/1966	agricultural tax 103/1974		agricultural tax 172/1988			
	levy on property 309/1920										levy on property 134/1946																
	levy on increase in property 309/1920										levy on increase in property 134/1946																
												extraordinary one-off levy 185/1947															
												extraordinary levy on excessive increases in property 185/1947															
war surcharges IX/1918, 153/1920 etc.								war surcharges 107/1943, 309/1944																			
self-government surcharges 329/1921				self-government surcharges 77/1927											local levies and charges 275/1948												
		levy on increase of the real property value 329/1921																									
		levy on rent or on used rooms 329/1921															local charge on flats 67/1956, 112/1957								charge for the use of a flat for purposes other than housing 544/1990		
																									location charge 544/1990		
		levy on temporary accommodation 329/1921																							charge for accommodation capacity 544/1990		
		levy on vacant plots 329/1921																									
		levy on luxury flats 329/1921																									
			health surcharge 477/1921, etc.																								
						surcharges on land tax (water management) 46/1931																					

Source: Own elaboration

TABLE 2.: METHODS OF RPT BASE DETERMINATION				
type of tax		**area**	**value**	**revenue**
house tax VI/1909	*tenancy house tax*			gross rental income
	class house tax			number of habitable rooms
land tax VII/1875				cadastral yield
house tax 76/1927	*tenancy house tax*			actual (gross) rent / rental value
	class house tax			number of habitable rooms
land tax 76/1927				cadastral yield
agricultural tax 49/1948				total area and average cadastral yield stated for each production region
house tax 80/1952	*rented buildings*			rent / price of use
	unrented buildings	built-up area		
	buildings of economic organisations and cooperatives		accounting value	
agricultural tax 77/1952				income (total area and standard average yield per hectare)
agricultural tax 50/1959	*UAC*			total gross monetary income (annual statement)
	other taxpayers (special crops and special livestock production)			actually earned income (in cash and in kind)
	other taxpayers (other)			income (total area and standard average yield per hectare)
house tax 143/1961	*unrented family houses, cottages, garages*	built-up area		
	other buildings			rent / price of use
agricultural tax 112/1966	*land tax*	area*		
	income tax - citizens /special crops and special livestock production/			income (total area and standard average yield per hectare) /actually earned income/
agricultural tax 103/1974	*land tax*	area*		
	tax on citizens' income from agricultural production /special crops and special livestock production/			income (total area and standard average yield per hectare) /actually earned income/
agricultural tax 172/1988	*land tax*	area*		
	tax on citizens' income from agricultural production			actually earned income (minimum of: total area and standard average yields)
RPT 317/1992	*land tax (arable land, hops, vineyards, orchards, permanent grassland)*	area and administrative price		
	land tax (forests, ponds)			
	land tax (other)	area		
	buildings tax	built-up area		
	tax on flats (from 1998)	floor area		
RPT 582/2004	*land tax (forests, ponds)*	area and value (by expert appraiser)		
	land tax (other)	area and administrative price		
	tax on buildings	built-up area		
	tax on flats	floor area		

* The quality of the natural habitat/production economic groups are taken into account within the tax rate.

Source: Own elaboration

During the CSR, and also during WW II, there was a significant **multiplication of taxes and other payments** relating to RP, often overlapping, creating a confusing system.[163] This negative situation was caused by the coexistence of different types of taxes and tax-like payments, namely: specific RPTs, special taxes of a primarily fiscal nature, including those on RP, and, alongside them, a system of state and municipal surcharges on RPT and municipal levies,[164] which resulted in multiple taxation. Such a trend of duplicate taxation was not unique in that period – a similar problem also appeared in Poland (until July 1926).[165] In the following historical development stages, the system was simplified, resulting, from 2005 onwards, in the unification and elimination of tax and levy duplications.

Another development trend of the period under review is **the shift from the initial taxation of RP based on its revenue towards its area**. This approach was also intertwined with legal or national economic theory and was visible in the applied concept of RPT in the different historical periods. According to the method of determining the property tax base, a significantly different approaches were identified. These differences are summarised in Table 2.

Historically, starting with the original Hungarian system, during the period of the CSR until after WW II, the method of determining the tax base was linked to the revenue from RP, both for land and buildings (either actual or assumed rents or the number of habitable rooms).[166] In the post-war period, buildings were taxed on the basis of rents, for example also in Poland.[167] Changes took place in the socialist period, when a combination of revenue (for rented buildings) and area (for unrented buildings) was applicable to the taxation of buildings, and in the case of land, formerly only the revenue from its use for agricultural production was taxed (which can be seen as a form of flat tax on income from land use),

163 Likewise, KUBINCOVÁ and SKALOŠ. Historicko-teoretické, p. 124.

164 From a theoretical point of view, a levy was perceived in the same way as a tax, but it could not serve as a basis for the assessment of autonomous surcharges. FUNK, Naše, p. 37. However, Article III(1) of Government Regulation No. 198/1931 Coll. *on levies for official acts in administrative matters* defined that *"a levy shall be owed by the person who gave the cause for an act or to whom an authorisation was granted or a benefit provided"*, i.e. rather in the sense of today's understanding of a charge. Despite this inconsistency, according to Grúň, a levy was closer to a tax than a charge. GRÚŇ Vybrané, p. 154.

165 The same object was taxed with accommodation tax, municipal tax on premises and the state tax on premises. WITKOWSKI. The Military Housing Fund in Pre-War Poland. In *Studia Iuridica Lublinensia*, 2021, vol. XXX, is. 5, p. 561 et seq.

166 Bráf refers to this as another form of classification *"according to external signs of profitability"*. BRÁF, Finanční, p. 298.

167 WITKOWSKI. Podatek od lokali w Polsce międzywojennej do 1936 r. In *Studia Iuridica Lublinensia*, 2013, vol. 19, pp. 333, 336.

and later the land tax (and its taxation according to area) was separated from the taxation of income from land use (taxed by administratively determined average yields per units of area). In the historic political breakthrough period after 1989, the revenue as the base of RPT was abandoned and the area was chosen as a priority, supplemented only for some land types by the statutory (administrative) value of the land, or its value as determined by an expert appraiser. In the current legislation, the elements that calibrate the area (in terms of use and location) are reflected in the tax rate, not in the tax base, and similarly, the quality of natural habitats or, later, of production economic groups was taken into account in the land tax rate in the 1966´s and later legislation. In the past legislations we also identified elements of further consideration of the value of the taxed RP, such as adjustment of the tax rate or the resulting tax for luxury buildings or, on the contrary, flimsy buildings (in the period of the CSR, the rate was *ex lege* increased/decreased, in the socialist period the national committee could increase/decrease the tax for the above reason); such an alternative is completely absent in the current legislation.

The authors conclude that historically, RPT legislation in Slovakia has been created and modified under the influence of concepts shaped by geopolitical and economic conditions. The authors consider the gradual change of the original inconsistent and fragmented system of RPT (dating back to the period of the Austro-Hungarian Monarchy) into the current form of a single RPT to be a positive development. The authors see the shortcoming and at the same time the potential of the current concept of RPT in the SR in not taking into account the real value of RP in its taxation.

About the authors

JUDr. Anna Vartašová, PhD.
Katedra finančného práva, daňového práva a ekonómie, Právnická fakulta Univerzity Pavla Jozefa Šafárika v Košiciach / Department of Financial Law, Tax Law and Economy, Pavol Jozef Šafárik University in Košice, Faculty of Law
Kováčska 26, 040 75 Košice
Slovak Republic
e-mail: anna.romanova@upjs.sk
https://orcid.org/0000-0002-1366-0134
https://www.scopus.com/authid/detail.uri?authorId=57195493290
https://www.webofscience.com/wos/author/record/1693475

Ing. Karolína Červená, PhD.
Katedra finančného práva, daňového práva a ekonómie, Právnická fakulta Univerzity Pavla Jozefa Šafárika v Košiciach / Department of Financial Law, Tax Law and Economy, Pavol Jozef Šafárik University in Košice, Faculty of Law
Kováčska 26, 040 75 Košice
Slovak Republic
e-mail: karolina.cervena@upjs.sk
https://orcid.org/0000-0003-4900-6510
https://www.webofscience.com/wos/author/record/1144121

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