

SOFTWARE APPLICATIONS SIGNIFICANCE IN THE TAX PROCEDURE

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SUMMARY:

This paper deals with utilization of the information technologies, in particular the appropriate software applications, in the tax procedure. In the content hereof, the higher attention is paid to SW such as utilized in the course of the individual tax procedure stages, namely involving the tax returns elaboration and submitting/filing and/or the instruments of remedy and supervision, and/or the solicitations and other acts and proceedings within the tax procedure framework. .

KEYWORDS:

tax process, tax procedure, software applications, information system

Preamble

The tax process is a term of wide comprehension, involving the acts and proceedings such as performed by both tax administrators, as well as the tax subjects, in the course of the individual tax procedure stages, whose aim is to meet the basic objectives of the tax administration – i.e. to correctly ascertain and establish respective tax and ensure its proper settlement.

The software applications serve in the course of the tax process in different ways to the tax administrators, as well as the tax payers. This paper's objective is to evaluate significance of tax software from the tax subjects' viewpoint, define his essential function so as to meet the requirements and criteria of his users. The paper aims primarily at persons touched with developing and programming software and helps them to make inspiration for creating new tax software.

What involves software applications major significance in tax process.

The tax process is an aggregate of proceedings, acts and procedures, which are from the viewpoint of legislature defined, in particular, in the Act No. 280/2009 Coll., Tax Rules. This

Act's provisions define the rights and obligations of the tax procedure participants. The invaluable tool providing the assistance in this rather complicated process to the tax subjects, and in particular to their authorized representatives – the tax advisers – is the top quality, complying software that allows for a smooth passage through all stages of the tax procedure. In light of practical features, such as required from the conforming software application, the following need to be involved:

- clients' agenda and essential data guidance;
- tax statements elaboration and filing (tax return, report or account);
- acts of administrative nature, like filling and submitting forms to fulfil registration duty, presenting proxies, applications, notices, complaints and/or regular or extraordinary remedies;
- tax accounts administration;
- surveillance aimed at clients tax information boxes.

In light of the aforementioned acts and proceedings, such as executed during individual stages of the tax procedure, it is possible to split the tax software into the following modules:

- files guidance
- filling forms and stationery documents processing
- electronic communication and documents delivery
- other functions and accessories

Files keeping

This part of applications supports, in particular, clients' files and clients' records administration allowing for basic information input. Such data are then utilized for new forms drafting, where required data are automatically drawn down from the clients' essential data. The majority of applications make possible to enter further important information that make the work of the user easier. Those are, first and foremost, the information about the authorities relating to the client – inland revenue authorities, customs authorities, health insurance companies and social security authorities, as well as addresses and contacts of persons and institutions relating to the client. It is beneficial, if the tax software is capable, in respect of individual clients, to store, maintain and archive documents, dispatched forms, confirmations of effected electronic submissions through the electronic filing room (EFR), or receipt of reports from data boxes.

Filling forms and stationery documents processing

The forms and stationery documents editor belongs, beyond any doubt, to the most important parts of the tax software offering many functions aimed at convenient processing of forms and some other tasks to tackle in view of the forms, from time to time.

There are some key functions and accessories that make processing of the forms and stationery documents easier and more user-friendly, in particular:

- automatic data input and text amending pursuant to predefined parameters
- possibility for values takeover from already completed forms
- related data cohesion in forms
- automatic calculations
- warning of errors or discrepancies, tips for filling
- notices and enclosures to forms
- on-line instructions concerning forms data input
- print preview and print of filled forms in PDF format or possibility for designated data print into original forms
- dispatch of form by e-mail or to data box (PDF)
- forms export/ import (XML)
- statistics of forms processing history including a time consumed
- own configuration option concerning tables, displaying, filters, etc.
- assemblies, own assemblies configuration option

Electronic communication and documents delivery

The electronic communication with the Inland Revenue Authorities has marked the boom over the past few years. Such communication mode with the tax administrators brings forward a number of benefits. Among the most significant ones, we can point undoubtedly at the time-savings, as well as the form's data logical interconnection feedback review before any electronic dispatch thereof, because the system would reject dispatching of any form containing substantial errors. Notwithstanding that the option to file any tax statement by virtue of electronic media is based upon the own free will of the tax subject in most cases, there are some exceptions (for example VAT Aggregate Report), where the duty to file respective tax documents by virtue of the electronic communication is expressly stipulated in respective act of law.

There are two ways as how to effectively arrange for the electronic filing:

- i. through a data box, or
- ii. through EFR – an electronic filing done through the electronic filing room at the Tax Administration portal

i. Data boxes

In their majority, the tax software products provide the users with basic functions like data box surveillance, forms dispatching to data boxes administered by the authorities and other subjects, offer the identifier lists for data boxes administered by the Inland Revenue Authority and customs authority, health insurance companies and social security district administrations. In view of the forms processing, as well as the access to data boxes for a higher amount of clients, it appears significantly convenient to have an option so as to enter the access instructions to the clients' data boxes directly at the individual client's set-up, or to have an option to perform the clients data boxes automatic surveillance, in order to establish whether they contain some new, unread messages. Also such accessory like the possibility to archive messages received in, and dispatched from the data box by saving them in a hard disk or in a documents' archive is the feature of no lesser significance.

ii. Electronic filing through EFR

Another possibility as how to communicate with the tax administrators and the other authorities is to opt for so called electronic filing. A quality tax programmes are able to export the forms and stationery documents into the files apt to be electronically filed, electronically signed and dispatched to the tax administrators' joint facility (so called electronic filing room having its web domicile at the Tax Administration portal – EFR).

Differently from the filings having been performed through the data boxes, the documents to be filed through EFR must be furnished with the official electronic signature using the chartered certificate.

Other functions and accessories

It is apparent that contemporary tax software applications are offering a lot of further useful tools, functions, features and accessories. Belonging to those substantial and self-evident, without whom either functionality or utilization of any such product would be severely limited, are the thorough data protection (data archiving and maintenance), as well as the whole system's regular updating.

The data archiving system is in charge of the data protection against any loss or damage, which may occur due to many reasons (operator's error, computer breakdown, computer feeding outage, computer virus intervention, computer theft, etc.). The data maintenance provides for data surveillance and indexes sequencing, or data linkage correction in case of unpredictable event's occurrence.

A regular updating of programme, forms, lists and all other parts of the system provides for an adequate response to the changes in the tax, as well as any tax relating legislature, and enables to obtain all newly published or modified forms, changes in lists or programme and thus keeps the application always up to date.

The accessories of lesser importance, yet useful ones instead, involve various functions like calendars, calculators, table calculators, dictionaries and many other small applications, which enable each user to make a good time as far as his everyday work is concerned.

Conclusion:

The tax system in the Czech Republic, due to its exposure to a number of changes, as well as a non-uniform interpretation of the tax laws, yet mainly due to the tax administrators' growing requirements aimed at the tax administration, becomes more and more complicated, as well as non-transparent. In such maze involving the laws, regulations and frequently changed tax forms, the information technology support, namely that rendered by the top quality tax software, becomes inevitable not only for the tax subjects, but also the tax advisers, as it provides them with significant help and assistance in terms of their respective tax duties diligent performance and fulfilment.