



Policy Brief 8/2012

**ESTIMATED IMPACTS OF VAT RATE CHANGES ON HOUSEHOLDS:
COMPARISON OF TWO DIFFERENT SCENARIOS FROM 2013**

November 23, 2012

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Abstract

On November 7, 2012, the Chamber of Deputies passed the so-called stabilization package proposed by the government, which includes a hike of the VAT rate by 1 percentage point starting from the following year, hence the reduced and basic rates will increase to 15 and 21 percentages, respectively. This study presents a projection of the impacts of this bill and compares them to the current legislation, which unifies the VAT rates to 17.5%. The methodology underlying these projections is derived from an earlier IDEA Policy Study on “How Would The Tax Changes Impact Households and Public Budgets” published on February 24, 2011.

[Download](#) the complete study (in Czech only).

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