



Office of the Czech Fiscal Council

CZECH FISCAL COUNCIL

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OPINION

of the Czech Fiscal Council

Number 4/2023

of 13th June 2023

on one-off and transitional operations according to the 3rd updated edition of the Methodology for the derivation of the expenditure frameworks of the state budget and state funds

Czech Fiscal Council

I. expresses favourable opinion

pursuant to Article 10(2) of Act No. 23/2017 Coll., on the Rules of Budgetary Responsibility, as amended, to the inclusion of the following revenue and expenditure operations in the category of one-off and transitional measures in 2022:

- reduction in fuel excise duty to the extent of 0.099 % of GDP,
- extraordinary depreciation in connection with the economic stimulus during COVID-19 to the extent of 0.044% of GDP,
- weaver of renewables fees for the customers to the extent of 0.068 % of GDP
- levy on excess revenues to the extent of 0.021 % of GDP,
- compensation bonus - direct support for self-employed and other persons to the extent of 0.060% of GDP,
- extension and increase of the limit on sick leave to the extent of 0.016% of GDP,
- compensation of wage costs to the extent of 0.015 % of GDP,
- support for accommodation operators to the extent of 0.005 % of GDP,
- programmes to support entrepreneurs to the extent of 0.018 % of GDP,
- cultural support programmes to the extent of 0.003 % of GDP,
- humanitarian aid for refugees to the extent of 0.128 % of GDP,
- economical energy tariff to the extent of 0.256 % of GDP,
- support for energy-intensive businesses to the extent of 0.081% of GDP,
- one-off child allowance to the extent of 0.099 % of GDP.

II. expresses favourable opinion

pursuant to Article 10(2) of Act No. 23/2017 Coll., on the Rules of Budgetary Responsibility, as amended, to the inclusion of the following revenue and expenditure operations in the category of one-off and transitional measures in 2023:

- reduction in fuel excise duty to the extent of 0.128 % of GDP,
- extraordinary depreciation in connection with the economic stimulus during COVID-19 to the extent of 0.027% of GDP,
- weaver of renewables fees for the customers to the extent of 0.246 % of GDP,
- windfall tax to the extent of 0.375 % of GDP,
- levy on excess revenues to the extent of 0.148% of GDP,

- humanitarian aid for refugees to the extent of 0.104 % of GDP,
- one-off child allowance to the extent of 0.015 % of GDP,
- cap on energy prices to the extent of 0.538 % of GDP,
- reimbursement of part of electricity distribution costs to the extent of 0.206 % of GDP,
- support for heating industry customers to the extent of 0.227 % of GDP,
- subsidies to ČEPS to the extent of 0.304 % of GDP.

III. expresses favourable opinion

pursuant to Article 10(2) of Act No. 23/2017 Coll., on the Rules of Budgetary Responsibility, as amended, to the inclusion of the following revenue and expenditure operations in the category of one-off and transitional measures in 2024:

- extraordinary depreciation related to the economic stimulus during COVID-19 to the extent of 0.018% of GDP,
- windfall tax to the extent of 0.163% of GDP,
- transitional heat support to the extent of 0.141 % of GDP.

IV. expresses favourable opinion

pursuant to Article 10(2) of Act No. 23/2017 Coll., on the Rules of Budgetary Responsibility, as amended, to the inclusion of the following revenue and expenditure operations in the category of one-off and transitional measures in 2025:

- extraordinary depreciation related to the economic support during COVID-19 to the extent of 0.039% of GDP,
- windfall tax to the extent of 0.130 % of GDP,
- transitional heat support to the extent of 0.134 % of GDP.

V. expresses favourable opinion

pursuant to Article 10(2) of Act No. 23/2017 Coll., on the Rules of Budgetary Responsibility, as amended, to the inclusion of the following revenue and expenditure operations in the category of one-off and transitional measures in 2026:

- extraordinary depreciation in connection with the economic stimulus during COVID-19 to the extent of 0.025% of GDP.

Given the fact that the duration and the exact amount of expenditure or revenue reductions/increases for some of the above measures are not yet clear and the forecast of specific GDP levels for 2023, 2024, 2025 and 2026 is uncertain, the estimates of the fiscal impact are indicative and will need to be updated.