



Digitalization in public administration and its trends

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Abstract

We live in times where modernization and electronic communication is the unique key to simplifying our daily lives. The electronization of public administration is important for all states and should be one of their priorities. It became particularly apparent during the COVID-19 pandemic. This article will therefore focus on tracing the development of digitalizing public administration in the Czech Republic and describing its possible development in the future, especially the digitalization of tax administration in the Czech Republic. This article also aims to summarize the state of public administration in selected member states of the European Union. Based on that, the authors will evaluate how the Czech Republic is doing in comparison with these countries.

Keywords

digitalization, informatization, state administration, e-government, online, tax administration.

Introduction

The digital age of the 21st century brings new technologies, innovations and trends that are dynamically changing the world and affect all areas of our daily life. Informatization and digitization have changed how we create the economic value, structure and functioning of markets, how we communicate with state organs and how we open a bank account.

In these rapidly changing and constantly evolving technological conditions, the modernization of public administration has become a major priority both in the Czech Republic and in other countries of the European Union and around the world. Information technologies have made it possible to provide modern services, even in public sector governance in general. There has been a huge development in this area in the past decade, from creating the first strategies for eGovernment through legislation, the development of infrastructures and electronic services to a focus on cyber security, etc. A well-functioning e-government system is able to provide a large amount of benefit for the state, including financial savings, and greater involvement of citizens in public and political life and increasing efficiency and transparency.

In this article, the authors will use analysis, description, and comparison to present the main changes in the field of digitalization of the tax administration in the Czech Republic in recent

months. The authors will also focus on the upcoming period, and they will identify what trends could follow. In order to evaluate the state of digitization in the Czech Republic nowadays, the authors will first summarize the current state of the state administration in selected countries of the European Union.

Digitalization in public administration

The fact that digitization is a topic of today is self-evident. As this topic is relatively abstract, specific facts follow from the summary report on the digitization of public administration in the Czech Republic issued by the Supreme Audit Office (“summary report”). Over the past seven years, massive investment has been made in the state’s information infrastructure, which is doing very well in terms of technical sophistication. The investments will continue over time. Expenditure of state organizational units and state funds on information and communication technologies (“ICT”) amounted to CZK 75 billion between 2012 and 2018. CZK, of which approximately 20 billion was reimbursed from EU funds for digitalizing public administration. However, there is another possibility, namely that citizens are not so interested in digitization. According to the summary report in 2018, 26% of natural persons in Czech Republic used online services to communicate with the authorities. Data box statistics show that only 2% of non-business individuals have voluntarily set up a data box. The advantage of this voluntarily setting is easier and electronic communication with government and in future with other physical and artificial persons. The cost for these volunteers could be the ignorance of the possible effects of documents delivered to the data box if they did not pick it up. We add that in 2018, 97 million transactions took place via data boxes, but only 0.65% of them were made by non-business individuals (Národní kontrolní úřad, 2019).

There are several reasons for inefficient digital tools and their settings, and also the low use of digital public administration services. There is insufficient legislative readiness for further digitization, obsolescent ICT systems in the individual components of public administration, poorly set conditions for cooperation with external suppliers, the financial administration system is not centralized and, last but not least, there is not enough staff capacity to keep the ICT systems in operation and attend to their modernization. (Summary report on the digitization of public administration in the Czech Republic).

One of the many problematic points mentioned above is in the process of being solved. For example, the Ministry of the Interior can be considered the main body coordinating information and communication technologies. The problematic area of shortage of ICT staff in public administration generally corresponds to a very low unemployment rate, which in the Czech Republic is around 3.6% in last quartal of 2021. On the one hand, the number of employees in IT services is increasing, but they primarily gravitate to the private sector.

As for the legislative basis for the possible development of digitalizing public administration in the Czech Republic, it is such a relative novelty, and at the same time the main relevant law is the so-called digital constitution.¹ It regulates the right of natural and legal persons to provide digital services on behalf of public authorities in the exercise of their powers, the right of natural persons and legal entities to perform digital acts (e.g. acting in business and administrative world electronically), the obligation of public authorities to provide digital services and accept digital acts and certain other rights and obligations related to digital services (European Commission, 2018).

¹ Act No. 12/2020 Coll., on the Right to Digital Services.

Legal framework of digitalization in the Czech Republic

There are many key laws that influenced the development of public administration. It was mainly law No. 106/1999 Coll., on free access to information, Act No. 101/2000 Coll., on the protection of personal data and on the amendment of certain acts, Act No. 227/2000 Coll., on electronic signatures and amending some other laws and Act No. 365/2000 Coll., on public administration information systems.

At the end of 2019, with effect from 1 January 2021, the Chamber of Deputies of the Czech Republic unanimously approved the “SONIA project” – a private law base for identification and authentication. The aim of SONIA or the banking identity project is to simplify the form of and access to Czech e-government services and online services in both the private and public sectors. The project helps citizens and public administration but also private service providers.²

The year 2021 introduced a very important Act on the Right to Digital Services (later Act No. 12/2020 Coll.), which was mentioned above, this act is also referred to as the “digital constitution”. It is also important to mention the new Act No. 261/2021 Coll., referred to in Czech as “DEPO”. Its obvious ambition is to strengthen the electronic form of public and private communication significantly.³

For this article and for the area of digitalization of tax administration, it is very important to mention Act No. 280/2009 Coll., The Tax Code.

The topic of electronic public administration and related issues is legislatively very broad. There are many other regulations that affect the given areas to a greater or lesser extent. For this reason, it is impossible to list all the relevant regulations.

History of the digitalization of government in the Czech Republic, focusing mostly on tax administration

The beginnings of communication between tax subjects and the tax and customs administration took place in the Czech Republic, as well as in other countries of the world, on paper. Although this form of communication is still popular with many tax entities, it also has many disadvantages. The solution offered itself, and with the advent of computers and the development of computer programs and applications, private companies began to offer technical solutions that calculated totals on uploaded forms and filled out some mandatory requirements. Even such a completed form had to be printed out and submitted to the tax office in person or by post.

However, the Czech tax administration did not lag behind private companies either. As will be stated below, unfortunately, although the financial administration of the Czech Republic historically began to utilize IT solutions, it developed only a little thereafter. The main technological tool of tax administration became the Automated Tax Information System (known in the Czech Republic as ADIS). This software was created based on a tender announced in 1991 by the Ministry of Finance of the Czech Republic to obtain an automated tool for tax administration. The development of such a system is a matter of time, yet the first version of the ADIS software solution was launched in 1993. Since then, ADIS has become software that has received

² Projekt bankovní identita a jeho vývoj (<https://bankovni-identita.cz/o-projektu>).

³ Portál národního bodu pro identifikaci a autentizaci. SPRÁVA ZÁKLADNÍCH REGISTRŮ. (<https://www.eidentita.cz/Home>).

new functionalities and is still the alpha and omega of tax administration in the Czech Republic. ADIS is connected to the VAT Information Exchange System (VIES) and other systems as a result of long-term closer cooperation with the customs administration, but also cooperation in accordance with European Union regulations. Despite this partial interconnection, cooperation between the financial and customs administrations in the Czech Republic is still limited and it would still be possible to develop it to a large extent (Finanční správa České republiky, 2003).

The development of the use of electronic tools was not limited to tax administration. As electronic tools were intended to facilitate communication with all state authorities, there was soon a need to identify the people who made electronic filings. This is important when verifying that the authorities are dealing with authorized persons. After all, discussions about the possibility of electronic identification of persons have been going on since the 1990s.

Use of electronic authentication and identification of natural persons acting either for themselves or for the legal entity they are authorized to represent

In the Czech Republic, this verification comprised the electronic identification of persons in a guaranteed electronic signature since 2000, when Act No. 227/2000 Coll., on electronic signatures regulated the authentication of electronic documents. Although the law subsequently underwent changes when it was replaced in 2016 by Act No. 297/2016 Coll., on services creating trust in electronic transactions, this is an important piece of legislation. An important institution in electronic authentication is the Guaranteed Electronic Signature. This is the equivalent of a verified signature on a paper document and serves to identify the person and verify the identity that created it.

The Guaranteed Electronic Signature also ensures, in addition to the person's identity, that the document has not been manipulated since the signature. It marks the document with an identifier as a qualified certificate and the document can then be sent electronically. To prevent qualified certificates from being issued illegitimately, only selected companies are authorized to issue them. The certificate is valid for 12 months and must be renewed annually. Since 2014, the legal regulation of electronic signatures in the Czech Republic has also been regulated by the European Regulation (EU) No. 910/2014 of the European Parliament and of the Council (eIDAS Regulation). This has made it possible to simplify the recognition of electronic signatures also across borders.

As mentioned above, administration is more effective when systems are interconnected, both nationally and internationally. One of the first major cases of such international electronic cooperation in the Czech Republic is the New Computerized Transit System ("NCTS"). This is a customs administration project launched in 2002 and the Czech Republic joined it before joining the European Union. It was an electronic communication system between entities and states for a common transit regime. Both Member States of the European Union and third countries were included in the project. The NCTS was the first step towards the wider use of electronic customs declaration exchanges in the European Union (Finanční správa České republiky, 2004).

Undoubtedly, a turning point for the Czech tax administration came in November 2002, when the electronic filing application was launched on the website of the Ministry of Finance of the Czech Republic with the delivery of a data message without a guaranteed electronic signature. This application was part of the ADIS software solution presented above. Subsequently, in 2003, the services provided to the general public in the field of electronic processing of documents for filing tax returns and general filing of documents for tax administration with the possibility of de-

livery via a data message provided with a guaranteed electronic signature, including filings sent by users directly from commercial programs (e.g. accounting software) that meet the specified conditions of the Ministry of Finance (Finanční správa České republiky, 2004).

Tax subjects began to use electronic filing gradually; during 2003 there were 7,018 filings (both with a guaranteed electronic signature and other filings). A significant increase in the use of Electronic Filing began at the end of the first decade of operation of this application, when 2,054,309 filings were filed in 2013. The possibility of submitting with a guaranteed electronic signature has become greater throughout the operation of the Electronic Filing portal. In the case of submission without a guaranteed electronic signature, it was necessary to confirm this submission in a qualified manner. This condition for submissions made in an unqualified form still applies today.

Electronic filing can be considered a breakthrough in electronization in the Czech Republic, especially from the point of view of tax subjects. Compared to the previous need to administer documents physically, Electronic Filing has opened a more convenient alternative. At the time, it was a significant step forward. Even in its beginnings, electronic filing was intuitive and checked the completeness of the entered data. Like most significant changes in modern society, electronic filing began to be used gradually by tax entities until they found their way to it. Even though there are many filing options today, many tax entities continue to use electronic filing (Finanční správa České republiky, 2004).

With the accession of the Czech Republic to the European Union, the obligation of companies to report in Intrastat also came into force. Intrastat monitors data related to trade in goods within the European Union. At that time, Intrastat was regulated by Decree 201/2005 Coll., of 18 May 2005, on statistics on exported and imported goods and on the method of communicating data on trade between the Czech Republic and other European Member States (Ministry of Finance of the Czech Republic, 2020). The administration and control of Intrastat is entrusted to the customs administration, currently by Government Decree No. 244/2016 Coll., of 18 May 2016, to implement certain provisions of the Customs Act in the field of statistics. Intrastat is perceived as one of the three control pillars of trade in the European Union (in addition to the summary report and the value added tax return). In the Czech Republic, sanctions are imposed for errors in declarations in Intrastat pursuant to Act No. 280/2009 Coll., The Tax Code, as is the case, for example, with wrongly assessed amounts of taxes. Similarly, to Intrastat, tax control statements, which make the tax administration and auditing of data by Czech tax administration much easier, were introduced in 2016.

Another noticeable shift in the digitization of tax administration, especially towards taxpayers, was a tax portal project, which has been available since 3 July 2006. It was introduced to facilitate communication with the tax administrator and its main feature is the tax information box, which can be accessed by any natural person who has been a tax entity alone or as the responsible person in a company or other legal entity paying taxes. A key and, to date, underrated functionality, is the opportunity to look at personal tax accounts of own taxes. Here it was possible to view conditions and turnovers on tax accounts. Thanks to it, tax subjects could prevent for example, being fined or forfeiting the overpayments in favor of the state (after 6 years in accordance with Section 64 (6) of Act No. 337/992 Coll., On Tax Administration and Charges), just from being able to review their paid and unpaid taxes. In 2007, the functionalities of the tax information box – the personal tax calendar, document overview, detailed information, and personal tax accounts were expanded. (Ministry of Finance of the Czech Republic, 2020). That year was also a breakthrough regarding the increase in electronic submissions, by 145%.

In 2021, there was a comprehensive “transformation” in the form of a new My Tax portal⁴ of electronic submissions (Finanční správa České republiky, 2020).

But before we describe the breakpoint in electronizing the Czech tax administration – portal My taxes, we must not skip another big step in electronic communication of tax subjects with tax administrators and generally citizens with state administration, which was the introduction of data boxes (used for electronic communication, do not confuse with tax information box, which is used just for taxes). These were introduced to the Czech legal order in Act No. 300/2008 Coll., On Electronic Acts and Authorized Document Conversion. Using the data box is free of charge but compulsory for legal entities registered in the Commercial Register and state administration bodies, and individuals register as physical persons voluntarily, although, for example, attorneys and tax advisors are obliged to set up a data box. The tax and customs administration is obliged to send documents to subjects via data box if one has established. It should be noted that, so far, data boxes were mainly created by trading companies, immediately after their entry into the Czech Commercial Register. The data boxes are not yet mandatory for entrepreneurs (Lapáček, 2012).

With effect from 1 January 2023, the Ministry of the Interior of Czech Republic will also set up a data box automatically to each entrepreneur.

Delivery of any new communication to the data box will occur when a taxpayer logs in. This avoids any sign-in obstruction in the event that a report from the state administration authority was delivered to the data box. If the subject does not access their data box within ten days of the date of delivery, the document will be taken by authorities as delivered.

The introduction of a data box in general had a positive effect for tax and customs administration without doubt, especially in reducing taxpayer opportunities to prevent delivery obstructions. Communication via the data box is quick and more efficient than other possible alternatives.

The need for data boxes increased in 2011, when a new legal regulation came into force, namely the Tax Code, Act No. 280/2009 Coll., The Tax Code. The regulation replaced the earlier Act No. 337/1992 Coll., on the administration of taxes and fees, as amended, which was in force since 1993. There are many changes in the new tax code. An important of these is the change in the method of delivery of documents, where one of the basic and primary methods for tax administration is delivery of the documents electronically to the data box (Lapáček, 2012).

On the way to modernize and digitize tax administration, the amendment to the tax regime, the final version signed by the President of the Republic in the summer of 2020 and the amendment to the amendment came on 1 January 2021. The promised electronization of financial administration is a significant step towards the modernization of the entire system used by taxpayers. The vision of the changes was clear, to facilitate citizens communicating with the tax administrator and reduce the administrative complexity of this communication. In practice, it is the introduction of a portal called Online Financial Office (previously talked about naming the entire portal My Taxes), which is an extension of the already available tax information box services. The old tax information box is now accessible next to the new, called DIS +. The portal was officially launched on February 28, 2021.⁵

The new portal presents old functions together with new ones. For the future, further expansion is expected as well as other portal foreign languages mutations. In the future, the portal

⁴ Portal MOJE daně (<https://adisspr.mfcr.cz/pmd/home>).

⁵ Portal MOJE daně (<https://adisspr.mfcr.cz/pmd/home>).

should also offer the possibility of active and passive communication with the tax administrator, such as the possibility of filing a tax return through online forms that will allow some pre-compliance data. This is already possible to some extent through connection to Electronic filing portal (Ondráčková, 2021). However, communication should also work in the opposite direction, i.e. from the tax authority to the taxpayer, in accordance with the delivery of documents.

One of the accessible functionalities is also shown on the names of documents in the public part of the file (Kučera, 2021). There is certainly a space for future solutions to the entire viewing of the write-form. But now this variant is not on the agenda, before the implementation of such extensive solutions would have to be transferred to electronic form, and it carries a considerable administrative burden. Another potential problem may be the cyber safety of such a solution.

In 2021, the Czech Tax Code was amended, which, inter alia, introducing the statutory embodiment of the online financial authority platform. Another significant change and support of electronic communication is also a new possibility of initiating tax control by so-called notification, delivery to the taxpayer's data box (Section 85 et seq. Of the Tax Code). In the same way, tax audit can be expanded or narrowed by tax administrators. This procedure is not only to prevent obstruction in negotiating the physical start of tax audit, but after the experience with the Covid-19 pandemic is a possible alternative to initiating tax audit.

The last less important change associated with the digitization of financial administration is the advantage of taxpayers that provide tax returns in electronic form. In this case, the amendment to them prolongs the deadline for filing a month.

Another current revolutionary novelty is a bank identity project. Which significantly expands the possibilities of legal and natural persons in the Czech Republic. Bank identity is usable both in private and public sectors. It is based on the principle of using access data to electronic banking also for access to other services. The potential of the multifactor identity verification is perhaps the future identification in the online environment. It is therefore not surprising that with effect on 1 January 2021, this private entry point for identification and authentication into force. From the perspective of tax and customs administration, banking identity brings more easier access to e-governments.⁶ In practice, it will be able to log in to the electronic submission portal or other financial administration portals through bank identity. This eliminates many administrative burdens and potential risks with various identification data at different locations in the online environment.

Legal framework of tax administration of Slovakia

Tax administration in the Slovakia regulated mainly by Act. No. 563/2009 Coll., on Tax Administration Act (Tax Code). Act no. 563/2009 Coll. The Tax Code legislates the administration of taxes and the procedure arising from the law tax administration, whether it is the provision of taxes, payments and other activities that in connection with tax administration. The law itself is systematically divided into itself content in seven parts (basic and general provisions, activities of the tax administrator, payment of tax, tax proceedings, liability for breach of duty, special provisions for bankruptcy and restructuring and common, transitional, and final provisions.

The Slovak Tax Code is the main law that regulates the area of tax administration in Slovak Republic. This law is also supplemented by other sectoral tax acts, however, for the purposes of this article, it is not necessary to list them all.

⁶ Projekt bankovní identita a jeho vývoj (<https://bankovni-identita.cz/o-projektu>).

Electronization of public administration in Slovak Republic

In the global ranking of digital competitiveness by the Institute for Management Development (IMD) for the year 2018, Slovakia ranked 50th in the ranking of 63 countries, which is a decrease compared to the previous year, when it took 43rd place. The country's main strengths were evaluated as its investment in electronic communications and wireless broadband; on the other hand, its weaknesses were identified as insufficient financial support for technological development, the low number of foreign experts and inadequate legislation in support of scientific research (IMD, 2018).

Slovakia ended up in 49th place out of 190 countries in the United Nations e-Government Index, which evaluates electronic state and public administration, while it improved by 18 places compared to the last study, in 2017; however, it did not reach the level of 2005, when it took 36th place. According to the e-Government Index, within the countries of the Visegrad Group, Slovakia was in 3rd place and the Czech Republic was bottom. (United Nations, 2018).

A new Strategy, called Digital Transformation of Slovakia 2030 was introduced in 2019. At the same time, the first action plan, for 2019-2022, was also approved. Slovakia identified a long-term vision for the development of eGovernment to manage the economy, society, and the public sector in the transition to the information society. The goal is also to stimulate smart regional development and help researchers and innovators. Specific objectives of the Strategy also include the digital transformation of schools, suitable conditions for data management, especially focusing on public administration as well as support for the development of artificial intelligence and, last but not least, increasing digital skills and implementing a so-called data driven state in order to improve data usage for analytical purposes (European Commission, 2019).

Electronization of public administration in European Union and especially in Estonia

The European Union has published an “eGovernment” action plan, which aims to shape new digital initiatives. In order for the whole project to work and be implemented across the European Union, principles have been set to improve online public services. The first concerns making electronic services compulsory for businesses. One or more online services are already mandatory in half of the EU countries. In other Member States, however, a similar level of digitization has yet to be ensured.

In the Member States of the European Union with the most developed online services, the online channel is the standard channel for up to 43% of services to citizens. There is still room for development on the part of citizens, but there is great potential for a significant increase in the use of digital technologies in the future. It does not matter whether the problem is on the side of inability or lack of technology, an increase can be expected in both groups of citizens (European Commission, 2010).

Another principle established is the so-called “no stop shop”, where the resources already delivered to the public administration will be used repeatedly and it will not be necessary to document various requests repeatedly with the same documents and information. The re-use of information is not yet well developed across Member States. The possible reason for this may be the use of outdated software, which causes considerable complications in modernizing e-government services. Therefore, the volume of investment in digitization is also an important indicator (European Commission, 2010).

The basis for online public administration services is the availability of the Internet in each Member State. Given that the increase in households using the Internet within the European

Union has been enormous in recent years, it cannot be assumed that insufficient access to the Internet will be an obstacle to the digitalization of financial management

Digital administration should work not only in isolation in individual states, but also across the European Union, it should be possible to set up companies online, have all the rights in tax proceedings when communicating remotely with the tax office, etc. (for example, it is not possible to open an online account from abroad at most banks) if the public sector will be able to do so. Nowadays, it should be standard to have public institutions' web mailboxes at least in English, if not in the languages of neighboring countries. The argument that webbox translations are very expensive is certainly valid, but the authors believe that the overall savings gained from the simplification of public administration will be higher.

In the case of cross-border administration, it is not only a matter of dealing with matters in other states, but also of receiving foreign documents and verifying those online submissions and eDocuments have been made.

Last but not least, cyber security seems to be one of the problems. As this is more of a technical matter, the authors leave the assessment of this site to experts. It is certain that without the protection of the data provided online, citizens will not be willing to use these services.

It is also important to identify the persons who make the submission. As the authors state in the chapters above. This can guarantee the unambiguous identification of a person and enable the service to be provided to the person entitled to it. Almost all Member States of the European Union have or are implementing a nationally supported electronic identification system. However, there is a lack of a common legal framework and uniform settings in this area, at least within the European Union.

If we focus again on the digitization of the tax administration, the authors have chosen two leading countries from which other countries could learn in this area. These are Estonia and Denmark. Estonia founded Digital Nations in 2014 and has been actively developing the eTaxes project since 2002. For the sake of interest, let us remember where the Czech Republic was in 2002 (see above in the chapter on historical development). Estonia is considered to be the most successful country in the European Union when it comes to digitizing the tax administration. It uses blockchain to digitize public administration and this may be a reason for its effectiveness. In addition to tax administration, Estonia is also successful in the field of online healthcare and education. Data is very well protected strong security. The data are on a cloud with its servers located in Luxembourg (Teillant et al., 2020).

According to the authors, the basic strength of the functionality of the digital tax administration and e-government in Estonia lies in the protection of databases and, as a result, citizens' strong trust. Now Estonia is focusing mainly on the development of artificial intelligence, which will take not only tax but also public online administration even further (Čejková, 2019).

As already mentioned, the basic system in Estonia is the E-tax system, which speeds up the whole declaration process. The tax administrator already uses the data he has from tax subjects in real time, so filing the tax return itself takes only a few minutes. This fast process is also possible thanks to the functioning and identification of tax subjects and availability of pre-filled forms using real data. The document is then digitally signed. This allows for transparent and efficient tax collection. The tax administration itself is then more efficient and less expensive than if all the input data for the tax audit return have to be re-verified. Tax returns are usually made within a few days. The lower need for tax administration officials has made it possible to reduce these posts and thus significantly reduce tax administration costs by up to a third (European Commission, 2020).

Conclusion

On the basis of the above, we can expect that taxpayers in the Czech Republic will communicate with the tax administration based on electronic banking, through which it will not only pay their tax liabilities, but also to deal with all documents and communication with tax administrators. This would mean great simplification and step towards clarity of tax processes and management. As always before the implementation of a new platform with such widespread functionalities compared to the original electronic solution, it is important how the platform will be maintained and developed in the future, especially how much it succeeds to make all functionalities usable by tax payers. Another question is the time horizon in which individual functionality can be accessed. As the DIS is the platform used in Czech Republic, it could be interesting to see the technical solution of e-taxes in another member states and compare them. At least the tax administrations could learn from each other what are the functions taxpayers needs and uses.

The current digitization of the Czech Republic's financial management is debatable, for which it is not only necessary to compare the share of electronic submissions depending on the number of taxpayers, but also on the costs associated. In order for the cost of referring value, it is necessary to judge them in a longer term.

The future can always be estimated. It is certain that the DIS + functionality will be expanded. An ideal state would be if they really reminded electronic banking in a few years. The possible variants of what should be able to know many, but in some areas, these ideas necessarily encounter reality of technical feasibility.

The vision of the future would then be contactless financial administration and with the possibility of remote contact. This is also possible now, but only in some cases (for example, it is possible to send the opinion of the first tax administrator to appeal). There are many questions about further functionalities, especially demonstrating the acquaintance with the content of specific documents, etc.

As it was said before, in future there is a huge potential for the Czech Republic to be inspired in any future digital solutions in other countries. From our knowledge, it follows that if we looked at other developed countries, it would be to mark the Czech Republic as average in the digitization of public administration (especially tax administration). Obviously, the future is to determine the tax directly by the tax authority on the basis of data provided in real time by taxpayers; on the other hand, it is clear what prevents the introduction of this system in larger numbers of countries. The first area is intervention in taxpayers' rights and to some extent, disruption of their activities. Lots of companies correcting their accounting and comes to errors that have occurred if the data was sent to the real-time tax administrator would be responsible person tax subject under great pressure. Another problem may also be the cyber security of such a solution.

Even more likely would taxpayers appreciate to communicate with tax authorities via e-mail. Unfortunately, this kind of communication will never be more than informal communications due to insufficient identification and authentication of the sender.

The challenge in the future will be the motivation of individuals to use electronic filing of tax returns. It is now clear from the financial administration data that this area now deserves the most attention. It will evaluate the effect that will extend the deadline for tax returns in the event of electronic submission.

As regards the legislative foundations for the possible further development of public administration digitization in the Czech Republic, the so-called Digital Institute can be considered

as the flagship. It regulates the law of natural and legal persons to provide digital services to public authorities, in the exercise of their competence, law of natural and legal persons to make digital acts, the obligation to public authorities to provide digital services and take digital acts and some other rights and obligations related to the provision of digital to services.

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