

Expert opinion

Habilitation thesis on habilitation procedures to Mgr. Tomasz Wołowiec, PhD.

Thesis title: „Harmonization of Personal Income Taxation Across European Union Member States“

I am submitting an inaugural dissertation consisting of four main chapters with numerous subheadings. This thesis in total consists of 320 pages.

This work is internally consistent with a logical structure, which contributes to the goals established in it.

Topicality of the chosen topic

Tax harmonization is among the most difficult issues facing the European Union, indeed it is currently one of the most sensitive and at the same time most discussed topics. The urgency of tax harmonization became an issue from the outset of integration efforts, with initial efforts leading to structural harmonization and the harmonization of rates. This phenomenon, on the one hand, represents a kind of threat to one's idea of what constitutes a country, whether one uses an eastern or western analogy for a country. All member countries of the European Union resolved to solve problems with tax collection, which became more apparent precisely because countries have gone through a very intensive consolidation.

Objective, methods and objective

The objective habilitation thesis is formulated with sufficient precision in the introduction of this work. This work is presented in English and shows itself to be well written and interesting. The aim of this habilitation thesis is to answer the question of whether harmonization of taxation of personal income in the European Union is possible and warranted. An assessment of the possibilities and merits of this form of harmonization of taxation is limited to the personal income of non-executive, that is to say non-business people. The object of this research is to gauge the effect of such an income tax on individuals who do not carry on business in the EU, as well as the effect of the harmonization process itself on these same people. This research concentrates on the rules, specifications and special features of the structure of personal income taxation. This research hypothesis is based on the assumption that there are economic, political and social conditions for the harmonization of taxation of personal income for non-executive activities in the European Union, which are covered through eight research questions. To meet the objectives of this work, the author used a comparative analysis of systems of taxation of individuals in different countries of the European Union with emphasis on their specifics. The author in this evaluation of the possibility of harmonization of income applied causal and functional analysis, statistical analytical methods, synthetic methods and triangulation of data sources.

The author's selection of methods and statistical verification for this research problem can be considered valid. This work includes a simple statistical apparatus, using inductive statistics. The author presents the view of the unsuitability of harmonizing the PIT (Personal Income Tax) within the European Union, which, however, relies on relatively simple linear regression relationships of two relevant variables. These relationships are a complex oversimplification of the issues they seem to explain. On the other hand, substantive argument demonstrates the author's deep study of and involvement in the problem. It can be stated that the goal of proving the habilitation thesis was fulfilled.

Content focus and contribution of work

Habilitation thesis includes: Abstracts in English and Slovak languages; Content; List of illustrations and tables (Figures 13, Table 25), the introduction (p.12-24) and four chapters. The first chapter describes the most, explaining the role and significance of personal income tax in both micro-and macroeconomic aspects, (p. 25-107), and contains 9 subchapters, where there are detailed theoretical treatments of the issue and some statistical simulation. The author aims to quantify the impact of income taxes on savings and investments, comparing the average annual rate of GDP with the rate of the tax burden, the PIT, and compare the growth rate of the gross domestic product. This section looks in detail at the impact of taxes from a micro and macroeconomic perspective. The theoretical framework is defined most importantly by both general and specific sources of the chosen topic. The author drew from 280 domestic and foreign sources, of which 35 are the author's own based on over 10 years of work on the subject. The rich theoretical body of work generated a basis for further progress by the author in the development of a clear statement of an objective tangible habilitation thesis.

The second chapter, entitled Economic Aspects of the Proportional and Progressive Taxation of Incomes (p.108-151) contains five subchapters, which are dominated by a thorough analysis of linear taxable income to the implementation of statistical simulation determining the efficiency of linear income taxation. The third chapter is titled Personal Income Tax in the Tax Systems of the European Union (with. 152-210) and is divided into 7 sub-chapters.

The fourth chapter, titled Legal and Economics Analysis of Elements of Personal Income Taxation Techniques in Union European States (with the 211-260), contains 7 subchapters. This chapter analyzes the scope of taxation relief, i.e. exemption from personal income types, types and functions of tax systems.

I highly appreciate the efforts of the author and agree with cardinal aspects of his strategic competition and tax harmonization in the EU, as well as the importance of the role of the European Court of Justice in tax harmonization.

Benefit habilitation thesis research is focused on quantifying the link between the level of fiscal stimulation and the structure of the tax system, as well as the pace of economic growth in EU countries in the period 1991-2012. The author intended to cover the detailed theoretical and practical aspects, as well as the consequences resulting from the analyzed harmonization of direct taxation and tax competition.

This work is logical, with chapters linked logically. The author in his respective chapters provides the results of an indepth study of the subject, as well as its content of original scientific work. The bulk of the apposing view is over-polemical in its concepts, arguing a greater number of views on the issue of tax harmonization, but in the process losing his own opinion. I consider the main benefit of this work to be the analysis of individual relationships with the use of statistical methods that led the author to detect certain tendencies. The work can be implemented in the educational process or the economic policies of the member states of the European Union.

Ideas and issues discussed:

Within the course of the defense of the habilitation thesis and other discussions suggest that the author responded to the following questions:

1. What is your opinion on the CCCTB (Common Consolidated Corporate Tax Base) as a proposal developed by the European Commission?
2. From the economic point of view for which Member countries would be the direct tax harmonization an advantage, and why (your opinion)?
3. According to you, which positive and (or) negative effects will bring the tax competition between Member countries?
4. Development and a types of PIT construction across EU tax systems
5. Impact of income taxation on economic growth
6. PIT and principle of tax equity
7. Describe the ways of harmonization of PIT in EU countries
8. What should be changed to become the idea of income tax harmonization real (your opinion)?

Conclusion

This Habilitant thesis demonstrates the ability to solve problems using scientific methods and procedures, formulate conclusions, and generate new knowledge for practical applications, as well as greatly contributes to the improvement of the economic, social, cultural, and political environment of the EU member states. Based on the above positive evaluation of this habilitation thesis, as well as a comprehensive assessment of scientifically well founded data on habilitation and on the success of the habilitation procedure and with regards to the fulfillment of the criteria set by the Scientific Council of the Faculty of Economics and Management, Slovak Agricultural University in Nitra and legislative requirements for habilitation

I recommend

Habilitation thesis Mgr. Tomasz Wołowiec, PhD. to the defense, and after a successful defense of the named suggest admit to scientific-pedagogical degree "docent" (doc.)

Prešov, October 18, 2014



prof. Ing. Dr. Róbert Štefko, Ph.D.