1. Czech players (tax residents) playing with a Czech operator

    1. Rate - 15% withholding tax
    2. Tax base - the total amount of net winnings, not just the difference by which the net winnings exceed CZK 100,000 (for example, with the bet of 100,000 and the winnings of 250,000, the net winnings is 150,000. The tax base is the whole net winnings, i.e. 150,000, not just CZK 50,000. “Winnings” means the result of each spin, roulette spin, etc.
    3. The payer is the operator. They will be required to withhold or collect a tax on this income when it is paid, remitted or credited to a player-taxpayer. This player then receives only 85% of the net winnings.

2. Foreign players (tax non-residents) playing with a Czech operator - according to the bill, the taxation is set in the same way as in case Ad 1, but in this case, the Treaty on Prevention of Double Taxation applies according to a player’s home state (see the list of these treaties - https://www.mfcr.cz/cs/legislativa/dvoji-zdaneni/prehled-platnych-smluv). In practice, a foreigner will be taxed according to the law of the country where they are a tax resident. The operator will not be forced to withhold anything.

3. Czech Players (tax residents) playing with a foreign operator - a foreign operator does not pay the withholding tax, and therefore, this type of players will tax their winnings from their income tax, i.e. they will submit a tax return at the end of the year, and if they earn more than 100,000, they will tax that income. “Winnings” is therefore the calendar year balance, not the “net winnings” of each spin.