

DAMIAN CZUDEK, JAN KUBÍČEK, WOJCIECH MORAWSKI,  
MARTYNA WILMANOWICZ-SŁUPCZEWSKA

# Sugar-Dating (Sponsoring) Income Tax Consequences of Sexual Relations in Polish and Czech Law

Sugar-dating (sponsorship) is a term used to describe a mutually beneficial relationship, most often with a sexual element, between a so-called „sugar daddy/mommy” („sponsor”) and the so-called „sugar baby” („sponsored”). Sugar-dating is not a new phenomenon, but, notably, the current literature has not analysed the phenomenon of sugar-dating from the perspective of income tax consequences. The author analyses Polish and Czech regulations regarding personal income taxes against illegal and immoral activities and attempts to classify the discussed issue correctly. In addition, the paper provides an answer to whether there are legal grounds for concluding a sugar-dating contract, which is the starting point for the analysis of taxation. The author also tries to answer whether cultural differences in the context of sugar dating in Poland and the Czech Republic are reflected in the contents of the laws.

**DAMIAN CZUDEK** Dr Mgr. Ph.D., Masaryk University

ORCID – 0000-0002-8169-2023 / e-mail: damian.czudek@law.muni.cz

**JAN KUBÍČEK** Masaryk University

ORCID – 0000-0002-2703-3051 / e-mail: honza.kubicek.99@gmail.com

**WOJCIECH MORAWSKI** Dr hab. prof. UMK, Nicolaus Copernicus University

ORCID – 0000-0002-2396-9434 / e-mail: wmoraw@umk.pl

**MARTYNA WILMANOWICZ-SŁUPCZEWSKA** master of laws

Nicolaus Copernicus University

ORCID – 0000-0003-1847-99// e-mail: mws@umk.pl

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# 1 | Introduction

Although Poland and the Czech Republic are linguistically and geographically close nations, they are quite different culturally, especially when we remain at the level of mutual stereotypes. The much more significant influence of religion on Polish<sup>[1]</sup> society than on Czech society<sup>[2]</sup> is an important feature that has resulted in a more restrictive approach to the human sexual sphere in Poland. For example, as an expression of differences in customs, sexual support for persons with disabilities (cz: sexuální asistence – sociální asistence osob s postižením) has been in place in the Czech Republic since 2015, a solution that in Poland is surprising. The question then arises of whether these cultural differences are reflected in the content of the laws of the respective societies. To answer this question, the problem associated with the taxation of the so-called sugar dating<sup>[3]</sup> was chosen as the subject of this study.

Furthermore, the analysis was mainly limited to the regulation of income taxes<sup>[4]</sup>. In value-added tax, we deal with national regulations based on European Union (EU) regulations which means that external factors can determine national regulations. Due to the connection between income taxes and the taxation of certain gratuitous benefits, this study also considered it necessary to analyse the regulations surrounding the Polish Inheritance and Gift Tax Act<sup>[5]</sup> and the Czech Income Tax Act<sup>[6]</sup>.

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<sup>1</sup> Central Statistical Office, *Religious denominations in Poland 2015–2018* (Warszawa, 2019). [https://stat.gov.pl/files/gfx/portalinformacyjny/en/defaultaktualnosc/3632/1/2/1/religious\\_denominations\\_in\\_poland\\_2015-2018.pdf](https://stat.gov.pl/files/gfx/portalinformacyjny/en/defaultaktualnosc/3632/1/2/1/religious_denominations_in_poland_2015-2018.pdf). [accessed 20.10.2022].

<sup>2</sup> The issue of the compatibility of stereotypes about „atheist” Czechs functioning in Poland and reality is analysed: Aniela Różańska, „(A)religijność po czesku – ateizm, analfabetyzm religijny czy coś więcej?” *Edukacja Międzykulturowa*, No. 1 (2019): 39–54. See also: Jana Furstova, Klara Malinakova, Dagmar Sigmundova, Peter Tavel, „Czech Out the Atheists: A Representative Study of Religiosity in the Czech Republic” *The International Journal for the Psychology of Religion*, 4 (2021): 288–306.

<sup>3</sup> The term used in Polish is „sponsoring”. This will be explained in the article.

<sup>4</sup> In Poland: Personal Income Tax Act of 26 July 1991 (Journal of Laws 2021, item 1128, as amended; hereinafter: ‘P.I.T.A.’).

<sup>5</sup> Act of 28 July 1983 on inheritance and gift tax (Journal of Laws 2021, item 1043 as amended).

<sup>6</sup> Income tax, Act No. 586/1992 Coll.

## 2 | An attempt to define a social phenomenon

„Sugar dating” is a term used to describe the relationship between a so-called „sugar daddy/mommy” (depending on the gender of the subject, also referred to as „sponsor”<sup>[7]</sup>) and a so-called „sugar baby” (also referred to as „sponsored”). The sponsor is usually an older, wealthy man who buys expensive gifts or directly transfers funds to the sponsored, usually a much younger and charming woman, in exchange for spending time together, making public appearances, or offering sexual gratification<sup>[8]</sup>. The Polish Regional Administrative Court in Gliwice, in its judgment of 21 October 2010<sup>[9]</sup>, defined sugar dating (in Polish: sponsoring) as follows:

” In the literature, the so-called ‘sponsoring’ is also distinguished as a form of prostitution, which consists in tying oneself in a longer, informal relationship with one person, often with a certain emotional commitment, in which one of the parties offers sex primarily in exchange for financial or material benefits received<sup>[10]</sup>.

Sugar dating, of course, is not a new phenomenon. Throughout history, many people (formerly women) have used their charms and sometimes their intellect to their advantage by obtaining benefits from relationships with famous, rich, and powerful people (formerly usually men)<sup>[11]</sup>. The sexual element is sometimes treated as an inherent feature of this relationship,

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<sup>7</sup> In Polish, sugar dating is referred to by the term „sponsoring” – see Renata Gardian-Miałkowska, *Zjawisko sponsoringu jako forma prostytucji kobiecej* (Kraków: Oficyna Wydawnicza Impuls, 2010). It is also used in the media, and there have even been feature films about this phenomenon under the title *Sponsoring* (<https://www.filmweb.pl/film/Sponsoring-2011-509760>). However, this film produced in Poland is concerned with the French reality. The terms „sponsoring” and consequently „sponsor” and „sponsored” will be used to simplify the presentation of the article’s subject matter. They also have the additional advantage of not referring to the genders of the parties involved in the relationship.

<sup>8</sup> <https://dictionary.cambridge.org/dictionary/english/sugar-daddy>.

<sup>9</sup> I SA/GI 476/10.

<sup>10</sup> Cf. Renata Gardian-Miałkowska, *Zjawisko sponsoringu jako forma prostytucji kobiecej* (Kraków: Oficyna Wydawnicza Impuls, 2010).

<sup>11</sup> For a broader discussion, see Alex Miller, „Sugar Dating: A New Take on an Old Issue” *Buffalo Journal of Gender, Law and Social Policy*, 20 (2011/2012).

and sugar dating has been explicitly linked to prostitution<sup>[12]</sup>. However, these relationships do not always need to have sexual components; the parties' obligations depend entirely on the subjects' preferences when entering a contract. There is no single legal definition of this phenomenon. However, the general public's perception is that sugar dating is associated with sex and prostitution. Therefore, this study will generally refer to this type of sugar-dating relationship, only pointing out the consequences of the absence of a sexual element.

Therefore, sugar dating is usually considered a specific form of prostitution based on a money-for-sex transaction. However, typical prostitution is a simpler event that involves a single transaction. Prostitution is „a sexual activity provided by women, men, and transsexuals in exchange for payment”<sup>[13]</sup>. Repeat transactions may occur, but these successive transactions are not linked. A distinguishing feature of sugar dating is the long-term nature of the relationship, which can complicate the assessment of its tax consequences. Among other things, long-term relationships can create additional relationships that do not fit the typical pattern of prostitution.

Sugar dating is referred to in Poland by a somewhat ambiguous term, „sponsorship”, emphasising the financial nature of the relationship. The provisions given by a sugar daddy/sugar mommy (sponsor) to a sugar baby (sponsored) may only have a monetary dimension. Still, they may also consist of certain benefits in kind (e.g., provision of accommodation or holiday trips), which may further complicate the problem of taxation of such behaviour.

The Polish terminology for sugar dating emphasises that a feature of sugar dating is the economic inequality of the parties involved. Only one of the parties bears the costs of operating the relationship (sponsors the other party), ensuring the maintenance of the sugar baby/sponsored.

Monogamy is not a necessary feature of such relationships (indeed, sponsors may request such an „add-on” to a relationship of a primary nature, meaning marriage or an informal relationship of a similar nature). However, due to the permanence and nature of these economic relationships, this form of prostitution can tend toward a kind of monogamy. Therefore, sugar dating can be assumed to be a form of prostitution that

<sup>12</sup> Miller, „Sugar Dating: A New Take on an Old Issue”, 33.

<sup>13</sup> Łukasz Dylewski, Pavol Prokop, „Prostitution”, [in:] *Encyclopedia of Evolutionary Psychological Science*, ed. Todd K. Shackelford, Viviana A. Weekes-Shackelford (Berlin: Springer, 2019), 1. [https://doi.org/10.1007/978-3-319-16999-6\\_270-1](https://doi.org/10.1007/978-3-319-16999-6_270-1).

is less „brutal” from a moral point of view, thanks to the permanence of the relationship, and could be condemned less than typical prostitution. Its boundaries are less clear-cut, and thus, its legal qualifications may be more questionable.

However, while sugar dating fits the definition of prostitution, „some forms of sponsorship resemble stable marriage. These forms can intermingle. Until the 19th century, a woman was given in marriage, and it was marital prostitution because the interests of families were more important than love”<sup>[14]</sup>. Phenomena such as prostitution, sugar dating, sponsorship, and arranged marriage contain standard features due to the sexual context.

### 3 | Prostitution, sugar dating, and related behaviour. Different countries, different legal approaches

*Black’s Law Dictionary* defines prostitution as „1. The act of practice of engaging in sexual activity for money or its equivalent; commercialized sex; 2. The act of debasing”<sup>[15]</sup>. There is no single model in the world for defining prostitution as an act in particular due to cultural and social differences that affect people’s assessment of the issue in a given country. In fact, in European countries, the days when a prostitute risked being stoned are a matter of the past. Some countries take a liberal approach to prostitution, where it is allowed, and sex workers receive all the benefits of legal work (e.g., Germany and the Netherlands)<sup>[16]</sup>. Therefore, people engaged in prostitution usually pay taxes through their employer or under the licence of self-employed people. Prostitution has also been partially legalised in some countries, with protections applying only to female sex workers but not

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<sup>14</sup> Maria Świetlik, „Sponsoring – między małżeństwem a prostytutką” *Przekrój*, No. 9 (2012): 12–15 – interviewed by Andrzej Depko, Anna Grzywacz, Agnieszka Kościańska, Ewa Majewska. [https://pl.wikipedia.org/wiki/Prostytucja\\_w\\_Polsce#cite\\_note-23](https://pl.wikipedia.org/wiki/Prostytucja_w_Polsce#cite_note-23). [accessed: 20.10.2022].

<sup>15</sup> *Black’s Law Dictionary*. 10th ed. ed. Bryan A. Garner (St. Paul: Thomson Reuters, 2014), 1417.

<sup>16</sup> Nomi Levenkron, *The Legalization of Prostitution: Myth and Reality. A Comparative Study of Four Countries*. (Heinrich Böll Foundation, 2007), 14–15.

entities organising prostitution or clients<sup>[17]</sup>. The sex worker approach is another form of legalisation, where a woman's decision about her choice of profession is indicated and accepted, and emphasis is placed on protecting her rights<sup>[18]</sup>. There is also the religious or conservative approach, where no form of prostitution is legal; Israel takes such an approach<sup>[19]</sup>.

In Poland and the Czech Republic, prostitution is not legal. Labour laws do not regulate prostitutes; it is not possible to create an employment contract involving the provision of sexual services. Furthermore, prostitution is not punishable. As a rule, neither the prostitute nor the client is subject to liability. There are, of course, exceptions to the principle of the legality of prostitution. In the Czech Republic, prostitution near schools and other places designed for children is punishable by law<sup>[20]</sup>. This legislation shows that this phenomenon is also not overlooked in the legislation. In addition, medical and other assistance is provided to prostitutes. Another example of a pragmatic attitude towards prostitution is the newly introduced institution of „sexual assistance” (cz. *sexuální asistence*)<sup>[21]</sup>.

However, in both Poland and the Czech Republic, certain behaviours related to prostitution can be subject to criminal liability. In these countries, only prostitution in the strict sense of the term is decriminalised as an act involving the provision of sexual services. Inducing another person to engage in prostitution (procuring<sup>[22]</sup>) is punishable in Poland<sup>[23]</sup>. Inducement may take various forms, particularly convincing parties of the necessity of this type of action, presenting its positive sides, encouraging, requests, etc.<sup>[24]</sup>. Facilitation of prostitution (known as pandering<sup>[25]</sup>) is also subject to criminal liability<sup>[26]</sup>, which can involve, in particular, providing premises or acting as an intermediary to contact or solicit customers,

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<sup>17</sup> For the Swedish context, see Nomi Levenkron, *The Legalization of Prostitution*, 14–15.

<sup>18</sup> Nomi Levenkron, *The Legalization of Prostitution*, 13.

<sup>19</sup> *Ibidem*, 9.

<sup>20</sup> § 190 of the Czech Criminal Code.

<sup>21</sup> <http://www.sexualni-asistentka.cz/>. [accessed: 20.10.2022].

<sup>22</sup> In Polish: „stręczycielstwo”.

<sup>23</sup> Article 204 § 1 of the Polish Criminal Code.

<sup>24</sup> Konrad Lipiński, „Art. 204”, [in:] *Kodeks karny. Część szczególna. Komentarz*, ed. Jacek Giezek (Warszawa: Wolters Kluwer, 2021).

<sup>25</sup> In Polish: „kuplerstwo”.

<sup>26</sup> Article 204 § 1 of the Polish Criminal Code.

including via the Internet<sup>[27]</sup>. Moreover, profiting from prostitution by another person (known as pimping<sup>[28]</sup>) is also punishable<sup>[29]</sup>.

In the Czech Republic, prostitution criminal laws are similar, although the legal terminology is slightly different. According to § 189 of the Czech Criminal Code, anyone who induces, persuades, or employs another person to engage in prostitution or benefits from prostitution practised by another person is criminally liable<sup>[30]</sup>. However, under § 190 of the Czech Criminal Code, engaging in prostitution near schools and similar facilities for children is prohibited. The Polish and Czech laws provide specific regulations against the sexual exploitation of children. Human trafficking, or any situation where bodily harm to a prostitute occurs, is also punished.

Sometimes, administrative law provisions may be used to combat prostitution. For example, in the Czech Republic, municipalities may regulate public order in their generally applicable ordinances under Article 14 of Act No. 128/2000 Coll. on Municipalities. In these ordinances, a municipality can combat prostitution in the context of advertisements or solicitation in a public place (i.e., within the framework of public order) but may not prohibit prostitution itself. Prohibition of prostitution can only be regulated by legislation.

From a Polish point of view, it is surprising that in the Czech Republic, there has been a social assistance service for mentally and physically disabled people (cz. *sexuální asistence*) since 2015. This service, contrary to appearance, does not have to be related to prostitution at all. However, there are no provisions for sexual assistance. Sexual assistance is divided into passive and active categories. Passive assistance involves mediating the purchase of sexual aids, preventive medical examinations, or awareness and education activities in the intimate and sexual sphere. This cannot be considered prostitution (i.e., paid sexual intercourse). Active sexual assistance consists of prostitution (technically, it is prostitution). Still, in its spirit, it is not just an exchange of financial resources and intimate services, but a social service for people who cannot satisfy themselves intimately

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<sup>27</sup> Piotr Kosmaty, „Kuplerstwo w sieci. Czy można ułatwić uprawianie prostytucji za pomocą Internetu?” *Prokurator*, No. 3-4 (2007): 127 et seq.

<sup>28</sup> In Polish: „sutenerstwo”.

<sup>29</sup> Article 204 § 2 of the Polish Criminal Code.

<sup>30</sup> This offence is called „Kuplířství” in the Czech Republic but covers a much broader range of activities than the offence of ‘kuplerstwo’ in Polish criminal law.

in other ways. In its opinion, the Ministry of the Interior stated<sup>[31]</sup> that if a sex agency does not want to commit an offence under Article 189 of the Criminal Code, it must cumulatively meet five conditions:

1. The sex agency will not actively mediate relationships and meetings between active sex workers and clients.
2. Relationships between the agency and active sex workers must occur exclusively at the outreach, education, and training level and processing of necessary personal data.
3. On the initiative of the client or the client's guardian or legal representative, the sex agency must provide the personal data of all persons on the list of persons trained in sexual assistance rather than the data of a single person under Act No. 101/2000 Coll. on the protection of personal data (i.e., with the informed prior consent of the active sexual assistance worker). In this respect, the Ministry of Interior disagreed with the Supreme State Prosecutor's Office, which sees in employee data provision a potential fulfilment of the offence of facilitation of prostitution under Article 189 of the Criminal Code, namely the element of solicitation, which is explicitly mentioned in this provision. In the opinion of the Supreme State Prosecutor's Office, these agencies could therefore be in the position of perpetrators of the crime of facilitation of prostitution, as mentioned above.
4. Agencies will not ask for any remuneration for providing clients with personal information about sex workers, nor will they ask for feedback from both clients and sex workers.
5. The educational and training activities of the agencies should be conducted so that they cannot arouse the active interest of the participants in prostitution so that the grooming act is not performed.

These personnel are not employees of the organisations where these people reside or their households therefore it is an external service. It follows

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<sup>31</sup> Michal Šmid. *Projekt intimní a sexuální asistence z pohledu trestního práva – není tento projekt v rozporu s trestným činem kuplířství?*, 2015. <http://www.sexualniasistence.cz/projekt-intimni-a-sexualni-asistence-z-pohledu-trestniho-prava-nejeni-tento-projekt-v-rozporu-s-trestnym-cinem-kuplirstvi/>. [accessed: 6.06.2022]. [accessed: 20.10.2022].



that they are self-employed for tax purposes. Theoretically, it is possible to bring these assistants together under the auspices of a company or association/foundation and make them employees. However, the term „sexual assistant” (cz. *sexuální assistant*) must be distinguished from „sexual confidant” (cz. *sexuální důvěrník*), which refers to employees of social or health institutions who provide counseling or education on sexuality and relationships to the target group with which they work. Unlike these personnel, a sexual assistant may touch the client, caress them, hug them tightly, or engage in sexual interactions. A sexual confidant cannot do this in any case. They must operate as someone who provides counselling, consultation, and education<sup>[32]</sup>.

Both types of income are subject to the Income Tax Act and are taxed as dependent or self-employment income.

It seems that analogous actions undertaken by agencies in Poland would not be subject to criminal liability either, as long as they do not induce prostitution. However, the actions of the assistants themselves would be treated as prostitution. These issues, however, go beyond the typical case of sugar dating, and their presentation in this article is intended only to show the legal background behind the taxation issue.

## 4 | Polish and Czech personal income tax in the face of illegal and immoral activities – regulatory overview

In Poland, the principle of legalism is constitutional<sup>[33]</sup>. Therefore, the actions of public authorities must be based on legal provisions. Public authorities must therefore always indicate the legal basis for their actions. Therefore, even in the case of individuals, it may be assumed that everything not expressly prohibited by law is legal.

The principle of legalism does not easily translate into matters of taxation. No general norm prohibits taxing a taxpayer’s illegal or at least immoral actions. The prohibition of illegal actions refers to the actions

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<sup>32</sup> More about sexual assistance: <https://www.freya.live/cs/sexualni-asistence/o-sexualni-asistence#co%20je%20sa>. [accessed: 20.10.2022].

<sup>33</sup> Article 7 of the Polish Constitution.

of tax authorities in imposing taxes. The tax authority must therefore act legally, but its actions will not necessarily be concerned with the legal actions of the taxpayer.

This does not mean that such actions always lead to tax consequences. It depends on the regulations in the specific act regulating the tax. According to Article 2(1)(4) of the Act of 26 July 1991 on Personal Income Tax, „The provisions of the Act shall not apply to: (...) 4) income arising from activities that cannot be the subject of a legally effective contract”.

The jurisprudence of Polish administrative courts uniformly accepts that this refers to acts that cannot be the subject of a legally effective contract at all. The Provincial Administrative Court in Poznań, in its judgment of 12 March 2014<sup>[34]</sup>, stated:

” The subject of a legally effective contract, within the meaning of Article 2(1)(4) of the P.I.T.A., cannot be behaviour which, by its very nature, is contrary to the laws of nature, the law or the principles of social coexistence and, consequently, cannot be specified at all in the content of a valid contract that produces the intended effects. The fact that a contract that is invalid under civil law has been concluded does not mean that any income arising from it is not subject to the law. This is because if the reason for the invalidity of the contract does not lie in the essence of the taxpayer’s conduct (activity) from which the revenue arises, and the benefit received as a result of the performance of the invalid contract can be considered revenue within the meaning of the Income Tax Act, then the revenue is subject to the Act.

This opinion means that, for example, revenue derived from activities undertaken without the required authorisation (or concession) is taxable, as they are not activities that cannot be the subject of a legally effective contract<sup>[35]</sup>.

Even when a taxpayer’s action may be a criminal offence, this means that some things that result from the offence are taxable:

” The party purchased fuel of unknown origin and, to document this transaction, used invoices that did not reflect the actual course of economic events, with the result that the tax authorities did not recognise

<sup>34</sup> I SA/Po 773/13.

<sup>35</sup> Judgment of the Supreme Administrative Court of 12 April 2011. II FSK 2022/09.

the amounts indicated in them as deductible costs. However, the act of purchasing fuel is neither an act contrary to the law, as the law does not prohibit the purchase of fuel, nor an act contrary to good morals”<sup>[36]</sup>.

However, it is possible that the taxpayer purchased the fuel illegally, but the sale of the fuel itself may be the subject of an agreement. As a result, the fruits of the crime may be subject to income taxes. If the taxpayer sells the stolen goods, they must pay a tax on them<sup>[37]</sup>. In the same way, income obtained from the illegal sale of drugs for sexual potency is subject to income tax, as such drugs could be traded<sup>[38]</sup>.

However, in the real estate tax, which is regulated by the Act of 12 January 1991 on Local Taxes and Fees<sup>[39]</sup>, the question of the legality of taxpayer’s actions is of no relevance. Every building is subject to taxation, regardless of whether it was legally erected. The taxpayer is the owner but also the sole possessor and sometimes the dependent possessor. According to Article 336 of the Civil Code,<sup>[40]</sup> „The possessor of a thing is both the one who wields it like an owner (spontaneous possessor) and the one who wields it like a usufructuary, pledgee, lessee, hirer or having any other right with which specific authority over another’s thing is connected (dependent possessor)”. The fact that the possessor is in bad faith (i.e., knows or should have known that they are not entitled to ownership or any other right) is irrelevant to the taxation of that property. This means that even someone breaking the law will be a property taxpayer. In the Czech Republic, the rules described above also apply.

However, from a criminal law perspective, in the Czech Republic, illegal income is not subject to income tax; this includes income from criminal activities. This does not mean that illegally obtained funds are considered illegal in this way. The subject does not carry out any activity but only pretends to do so to a large extent and issues receipts or income documents (e.g., for sales in a diner, the chosen method of proving costs by a flat rate on income). Of course, the state will confiscate the proceeds or benefits of

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<sup>36</sup> Judgment of the Regional Administrative Court in Gorzów Wielkopolski of 4 April 2012. I SA/Go 77/12.

<sup>37</sup> Provided, of course, that they gain a benefit (i.e. there is no forfeiture of such gain under criminal law).

<sup>38</sup> Judgment of the Supreme Administrative Court of 22 October 2019, II FSK 3795/17.

<sup>39</sup> Journal of Laws 2022, item 1452 as amended.

<sup>40</sup> Act of 23 April 1964, Journal of Laws 2022, item 1360, as amended.

a crime in pending criminal proceedings, either through the institution of seizure under section 79a of Act No. 141/1961 Coll. Criminal Procedure Code or as a separate penalty of asset forfeiture under section 52(1)(d) of Act No. 40/2009 Coll. Criminal Code. Impunity of the offender for any reason (expiry of the criminal record due to pardon, the statute of limitations, etc.), except decriminalisation, does not legalise the proceeds of the offence, so seizure of property and seizure of surrogate value under Sections 101 and 102 of the Criminal Code may still occur. These are measures that are not time-barred. The state must not allow a systemic loophole that would allow the offender to get off scot-free and still be able to legally enjoy and benefit from the fruits of their criminal activity.

By not declaring the proceeds of crime in their tax return and paying according taxes, the offender cannot commit the offence of tax evasion, as they would violate the prohibition against self-incrimination arising from judgements of the Czechoslovakian Supreme Court (Rt 28/1957 and Rt 53/1974). Therefore, this view is a completely established approach to decision-making practices.

Taxing illegal income does not necessarily mean legalising it. This issue is closely related to a fundamental rule and not only a procedural principle of tax administration (i.e., non-publicity and confidentiality). This principle is not absolute in the Czech Republic. Typically, data from tax administration are provided to other public administration bodies exempted from the Tax Code. In addition to social security authorities, health insurance institutions, the Financial Analysis Office and courts, tax administration authorities have an information obligation towards law enforcement authorities. Thus, if one of the offences listed in the provisions of Article 52(2) of the Tax Code is involved, or if someone pays or wants to pay tax from such criminal activity, they would be convicted, and the property would be confiscated, but not necessarily. The question is what will be proven and whether it would be appropriate to at least tax this income because of the obligation to prove the origin of the property. The impossibility mentioned above when taxing certain illegal sources of income is thus rather of a procedural nature, and the possibility of paying tax on income from criminal activities would lead to criminal prosecution of the tax subject since, as mentioned above, the tax administrator has a reporting obligation.

## 5 | Is it possible to enter into a sugar-dating agreement?

Regarding whether it is possible to enter into a sugar dating agreement, the solution adopted in the Polish Personal Income Tax Act refers to civil law through the possibility of concluding an agreement concerning a given activity because an agreement usually means a civil law agreement. Such a link between tax law and civil law is not unusual. Tax law usually relies on civil law when forming taxable facts. A specific exception is the regulation of value-added tax due to both the specificity of the legal constructions of this tax and the fact that the tax regulation must fit into the legal systems of the 27 EU member states. Meanwhile, civil law is subject to limited harmonisation at the EU level. Therefore, the fundamental question arises: Is establishing a legal sugar dating contract in Poland and the Czech Republic possible?

Article 58 § 2 of the Civil Code is of key importance in the Polish legal system, according to which „A legal act contrary to the principles of social coexistence is invalid”. This general clause ensures that legal regulation is consistent with society’s principles. Interestingly, it was inspired by Soviet laws of the communist era in place of the traditional clauses of equity, good faith, and honesty in trade<sup>[41]</sup>. There was an undelying connection with the belief that „the clause of principles of comity was directed at the transformation and improvement of reality, its adaptation to new ideological and political requirements”<sup>[42]</sup>. However, in practice, after the political changes in Poland after 1989, the principles of co-existence continued to perform their function as specific principles of equity, especially in the context of Article 5 of the Civil Code<sup>[43]</sup>.

Given the diversity of beliefs in society, a difficult question arises: How can these rules of social co-existence be determined? The literature points, inter alia, to the possibility of referring to constitutional regulation:

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<sup>41</sup> Marcin Sala-Szczypiński, „Znaczenie zasad współżycia społecznego w prawie polskim” *Państwo i Społeczeństwo*, No. 1 (2005): 56.

<sup>42</sup> Marek Safjan, „Klauzule generalne w prawie cywilnym (przyczynek do dyskusji)” *Państwo i Prawo*, No. 11 (1990): 49.

<sup>43</sup> Art. 5 Polish Civil Code: One may not make use of one’s rights in a manner that would be contrary to the social and economic purpose of that right or to the principles of social coexistence. Such an act or omission by the right holder shall not be considered an exercise of the right and shall not be protected.

” Of primary importance in this regard is Article 30 of the Constitution of the Republic of Poland, which states that inherent (and therefore primary concerning the system of state law) human dignity is inalienable (first sentence) and inviolable (second sentence). The prohibition of violating human dignity arising from the second sentence of Article 30 of the Constitution of the Republic of Poland is universal and also applies to civil law entities (see L. Bosek, *Gwarancje godności ludzkiej*, Warszawa 2012, 121 et seq. and views cited therein). Also, any legal action must respect this dignity, which applies to the dignity of the people performing the legal action and the dignity of third parties. The first aspect is worth highlighting. In light of Article 30 of the Constitution of the Republic of Poland, it must be stated that a person’s freedom and autonomy do not go so far as to allow him to surrender his dignity or give effective consent to its infringement, including infringement of human rights and freedoms that are an emanation of that dignity (cf. the first sentence of Article 30 of the Constitution of the Republic of Poland), even if the relevant declaration of will is fully correct (cf. L. Bosek, *Gwarancje godności*, p. 203: the author points out that the prohibition to violate human dignity and the prohibition to dispose of human dignity imply an intrinsic limit to freedom and self-determination)<sup>[44]</sup>.

Prostitution can, in principle, be regarded as violating the sphere of human dignity. In Poland, there seems to be a widespread conviction that it is evil, even though it is not criminalised. There is little doubt in jurisprudential practice that it is not possible to establish such a contract<sup>[45]</sup>.

Of course, the natural question arises as to whether these principles of social co-existence are immutable or can be modified as society’s views change. The jurisprudence of the Constitutional Court<sup>[46]</sup> has considered<sup>[47]</sup> whether the principles of social coexistence are instruments of law-making by the courts. In its judgment of 17 October 2000, the Constitutional Court stated the following:

” [The Court] is of the opinion that a breach of the requirement of foreseeability of the court’s decision when applying the general clause may occur in three situations: first, if the prerequisites for the

<sup>44</sup> Roman Trzaskowski, „Art. 58”, [in:] *Kodeks cywilny. Komentarz*, Vol. I, Część ogólna (art. 56–125), ed. Jacek Gudowski (Warszawa: Wolters Kluwer, 2021).

<sup>45</sup> Judgment of Supreme Administrative Court of October 23, 2018, II FSK/16.

<sup>46</sup> Judgment of the Constitutional Tribunal of 17 October 2000, SK 5/99.

<sup>47</sup> Against the background of Article 5 of the Polish Civil Code.

understanding of this general clause were not only objective but also subjective in nature; second, if the wording of the general clause did not provide sufficient guarantees that its interpretation in case law would become uniform and precise so that the possibility of predicting a specific outcome would be ensured; and third, if from the wording of this general clause it would be possible to derive the law-making powers of the courts, expressed in particular in the right of the court to give new content to Article 5 of the Civil Code on its own”.

In resolving the issue, the Constitutional Tribunal expressed itself in favour of the objective nature of the concept of the principles of social co-existence. It held that the jurisprudence of the courts is generally predictable. The Court’s position seems to be an oversimplification. In most cases, courts apply the principles of social co-existence to property disputes, where changes in customs are of little importance. However, in the case of the intimate sphere of a person, changes in social beliefs regarding what is acceptable seem to be much more dynamic. The Constitutional Court treats the principles of social co-existence as an objective criterion. However, this does not necessarily mean that they are immutable. They are, after all, applied in practice by a judge who is part of society. Therefore, the judge will naturally apply that society’s standards during adjudication. If the rules of society change, the evolution of the rules of comity as a legal institution will follow. Of course, previously decided case law will provide considerable stabilising potential, as courts tend to follow their previous views.

Of course, it is currently difficult to imagine that there will be social acceptance of prostitution. However, sugar dating is a specific form of prostitution governed by rather fluid boundaries that will sometimes be difficult to draw in relation to a consensual partnership; this is called cohabitation in the traditional Polish legal language<sup>[48]</sup>. Obviously, at first glance, there is a clear difference in the financial statuses of the parties and the lack of an emotional bonding element in the case of sugar dating.

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<sup>48</sup> We also use the traditional term „concubinate”, even though the literature points out the inadequacy of this term derived from Roman law, where it was an extramarital union and not a family (see Witold Śmigielski, *Modele życia rodzinnego. Studium demograficzno-społeczne na przykładzie łódzkiej młodzieży akademickiej* (Łódź: Wydawnictwo Uniwersytetu Łódzkiego 2014), 80.

With regard to financial issues, it is important to remember that marital property agreements are completely legal in Poland<sup>[49]</sup>. There is no doubt that cohabiting spouses can also agree to share the costs of living together as one household. Furthermore, there is no doubt that both spouses and co-habitants do not have to co-habit permanently without interruption. In particular, cohabitation, which is not regulated by law in Poland, can take various forms. It would be difficult to deny married or cohabiting couples the right to establish an agreement regulating the costs of living together, especially when only one will bear the costs of financing the relationship. Even in the case of marriage, the belief that both spouses should work professionally is a concept that started to find steam in the social consciousness of European culture in the last century. The difference thus turns out to be quite illusory. Paradoxically, this criterion brings sugar dating closer to the traditional 19th century marriage, where the man worked professionally and supported the family<sup>[50]</sup>.

The element of emotional connection is difficult to capture, especially when there is a dispute about the legal qualification of behaviour before a tax authority or an administrative court. How would a court determine this? Would it be just as contrary to the principles of comity to have a marriage without affection between spouses? The important point is that changes in customs are moving in the direction of loosening the emotional bond of the partners, which is expressed, among other things, in the low stability of relationships<sup>[51]</sup>.

If sugar dating has no sexual context, it would be difficult to accuse this relationship of a breach of social mores. As a result, the income derived from it is subject to Czech law, and jurisprudence operates with a vague concept of „good morals”. Interestingly, the Czech civil law approach to the possibility of a sugar dating agreement is similar. According to the decision of the Constitutional Court, ref. no. II ÚS 2883/21 of 19 April 2022,

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<sup>49</sup> They are in fact regulated in Article 47 et seq. of the Family and Guardianship Code of 25 February 1964, Journal of Laws of 2020, item 1359 as amended.

<sup>50</sup> Of course, we are not equating sugar dating with marriage in the nineteenth century here but merely demonstrating the flawed criterion of economic dominance.

<sup>51</sup> Interestingly, in Poland, it is difficult to speak of a clear tendency in the change of the breakdown of the traditional concept of family – CBOS, „Preferowane i realizowane modele życia rodzinnego” *Komunikat z badań*, No. 46, (2019): 2–3. [https://www.cbos.pl/SPISKOM.POL/2019/K\\_046\\_19.PDF](https://www.cbos.pl/SPISKOM.POL/2019/K_046_19.PDF).



” The concept of »good morals« must not be interpreted merely as a set of moral principles used as a complementary content factor in the exercise of subjective rights and obligations but as an injunction for the judge to decide according to a sense of fairness; this in its consequences implies the establishment of a path to seek justice. The principle of compatibility of the exercise of rights with good morals is an important equaliser to mitigate the severity of the law in justified cases and to give the judge room to apply the rules of decency. The concept of decency must, therefore, also be interpreted as an injunction for the judge to rule *praeter legem*, and exceptionally, even *contra legem*”<sup>[52]</sup>.

However, Czech tax law does not use this concept and does not distinguish income obtained according to good morals. In the Czech Republic, a country that originated from a Judeo-Christian cultural heritage, prostitution, or similar services involving sexual or intimate services for a fee are viewed negatively and pejoratively. However, even this view is gradually shifting.

Therefore, if we are discussing the assessment of a contract between a provider of funds and a paid sex worker, we would inevitably encounter the provisions of Article 588 of Act No. 89/2012 Coll., Civil Code, which regulates absolute nullity. According to Vladimír Beran’s commentary on the Civil Code, the court may consider absolute nullity *ex officio*; „Thus, a legal act is either manifestly contrary to morality and is void, or it is in accordance with morality and is valid”<sup>[53]</sup>. Consequently, „sugar dating” is contrary to good morals as an act that occurs without explicit legal regulation and therefore cannot be the subject of any valid contract in the Czech legal environment. However, the boundaries of sugar dating are not obvious at all.

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<sup>52</sup> Judgment of the Constitutional Court of the Czech Republic of 19 April 2022, II. ús 2883/21, Brno: AutoCont CZ, a.s., 2006 [accessed: 6.10.2022]. <https://nalus.usoud.cz/Search/ResultDetail.aspx?id=119882&pos=1&cnt=1&typ=result>.

<sup>53</sup> Jan Petrov, Michal Vytisk, Vladimír Beran, *Občanský zákoník. Commentary*, 2nd ed. (1st update) (Prague: C.H. Beck, 2022), § 588.

## 6 | Taxation of sugar baby income according to Czech income tax laws

The key to determining the scope of taxation in the Czech Republic (i.e., the subject of the tax) is governed by the provisions of Section 3 of the Income Tax Act. It includes both a positive and negative definition of tax, and the law further regulates income that is subject to tax but exempt. These are the following forms of income governed:

- a. Income from employment,
- b. Income from self-employment,
- c. Income from capital assets,
- d. Rental income,
- e. Other income.

Furthermore, the law explicitly states that monetary and exchange revenues are considered revenues. In 2016, an amendment to the Income Tax Act came into force, addressing the so-called proof of income, or generally the increase in assets and tracking their movements.

According to the Supreme Court of the Czech Republic's judgment of 2006, No. 2 Afs 42/2005-136, any increase in the taxpayer's assets should be considered income subject to income tax. It must be real income, not apparent income. Under the provision mentioned above in Section 3(2), noncash income is also taxable. This income may be a gift (i.e., unpaid income). In the words of Vladimír Pelc in his commentary on the Income Tax Act 2021, „it is unpaid income (...) which, after taking into account gift tax in income taxes, is defined for tax purposes as income subject to income tax”<sup>[54]</sup>.

Since the sugar dating relationship cannot be the subject of a contract, but we also know that income from sugar dating is not negligible and should, therefore, be taxable, it would be considered non-cash income under Czech law. Therefore, one might think that the sugar dating relationship would have the characteristics of a contractual relationship and that the income (cash or non-cash) of the sponsored could be considered business income. However, since it cannot be considered a contractual

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<sup>54</sup> Vladimír Pelc, *Daně z příjmů, zákon s poznámkami a judikaturou*, 1st ed. (Prague: C.H. Beck, 2021), 153-166.

formalised relationship (and there is a problem of a lack of evidence in Czech law since this activity is not carried out based on some formalised permit or authorisation), in the case of the sponsored, it must be considered noncash income.

Similar reasoning is accepted in Polish tax law. As noted above (leaving aside the issue of the difference in taxation rules for unpaid benefits), the sponsor's service is chargeable as he receives a sexual service for it.

However, unlike in Poland, in the Czech Republic, the gift tax falls under income tax, which is considered a way of increasing a person's wealth. Therefore, consideration must be given as to whether exceptions to taxation in the form of, for example, tax exemptions would apply.

The exemption provided for in Section 10(3)(c)(1) of the Income Tax Act („tax-free income is an unpaid income coming from a relative in the direct line and in the collateral line if the relative is a sibling, uncle, aunt, nephew or niece, spouse, child of a spouse, parent of a spouse or spouse of parents”) does not appear to be applicable. There may be more doubt about the exemption under Article 10(3)(c)(2) of the Income Tax Act („free of tax is [...] unpaid income [...] from a person with whom the taxpayer, immediately before receiving the unpaid income, lived in a jointly run household for at least one year and for that reason took care of the household or was dependent on that person”). However, proving that the parties involved in a sugar-dating relationship formed a household could be difficult. This is not the case in typical sugar dating relationships, where money-for-sex transactions occur.

Instead, the provision of Section 10(3)(c)(5) of the Income Tax Act may be applicable („tax-free is [...] unpaid income [...] acquired occasionally, provided that their total from the same taxpayer in the tax year does not exceed CZK 15,000”<sup>[55]</sup>).<sup>[56]</sup> In addition, income, even in cash, is also exempt from tax if the total for the taxpayer does not exceed CZK 30,000 in the tax period<sup>[57]</sup>.

These tax exemptions ensure that no entity in the Czech Republic has to tax ordinary small gifts (such as birthday presents), transfers of family wealth from parent to child or from husband to wife (and vice versa) or between partners. In the case of a typical sugar dating relationship in the Czech Republic, there is more business exchange income than gift income

<sup>55</sup> Around €610.

<sup>56</sup> Pelc, *Daně z příjmů, zákon s poznámkami a judikaturou*, 153–166.

<sup>57</sup> See § 10 (3) (a) Income tax, Act No. 586/1992 Coll.

because there is reciprocity. Therefore, the sponsor's and sponsored income is subject to income tax under the Income Tax Act.

## 7 | If not income tax, what about gift tax?

The exclusion of taxing income derived from sugar dating in Poland makes one wonder whether it should be taxed on gratuitous benefits. In Poland, gratuitous donations are generally subject to inheritance and donation taxes, regulated by the Act of 28 July 1983<sup>[58]</sup>. According to Article 1, the tax on inheritance and donations is subject to the acquisition by natural persons of the ownership of things located on the territory of the Republic of Poland or property rights exercised on the territory of the Republic of Poland by way of the following:

” 1) Inheritance, simple bequest, further bequest, legacy, testamentary disposition; 2) donations, donor instructions; 3) free disposal of co-ownership; 4) a reserved share if the beneficiary has not obtained it by way of a gift made by the testator or by inheritance or bequest; 5) unpaid: annuities, usufruct and easements”.

The subject of inheritance and gift tax is not every gratuitous acquisition of property, but only acquisitions that occur through civil law transactions or by inheritance. In most cases, civil law contracts are involved. As indicated above, in the case of sugar dating, there is no possibility of a valid contract due to a conflict of interest which limits the ways to tax inheritance and gift taxes given by sugar daddies/mommies.

Even if this circumstance were to be disregarded, such a consideration would often not fall within the scope of the contract in question. First, it cannot be considered that a donation contract is being concluded here. According to Article 888 of the Civil Code, by a donation contract, the donor undertakes to provide a gratuitous service to the recipient at the expense of his estate.

However, in the case of sugar dating, as in the case of ordinary prostitution, the service provided by the sponsor cannot be considered free. On the

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<sup>58</sup> Journal of Laws 2021, item 1043 as amended.

contrary, the transaction (admittedly contrary to the principles of social coexistence) presupposes full reciprocity of benefits between the parties, as the financial benefit of the sugar daddy/sugar mommy is a payment for the sexual services provided by the sponsored person. A donation can be made to the partner, even if it is a mere lover when the donor is married to another person<sup>[59]</sup>, but not to the sponsored person. This is because, in the case of an affair, there is no transaction where there is mutual benefit between the parties.

Unlike Poland, in the Czech Republic, as mentioned above, donations are subject to income tax, as they are also income (i.e., a way to increase a person's wealth).

## 8 | Benefits of the sponsored person to the sponsor beyond the sexual sphere

The relationship between a sugar baby and a sugar daddy/sugar mommy may yield benefits beyond the standard benefits covered by this rather specific contract. The sponsor can, for example, become involved in supporting the sponsor's business, accompanying the sponsor to meetings and organising them. Such activities, although to some extent a consequence of sugar dating, go beyond the scope of this contract. There are no grounds to consider such activities contrary to the principles of social co-existence under Polish law. It is worth recalling that Polish law recognises only such actions as not subjects of a legally effective agreement, which, in kind, cannot be the subject of any agreement in other factual circumstances. Since support in running a business, organising meetings and accompanying others during them may be the subject of normal transactions, the fact that the sponsored person provides these services does not automatically mean that the income derived is not taxed. Of course, the division of the income of the sponsored person between that derived from sugar dating and that tax can be a problem.

Business cooperation between the sugar daddy/sugar mommy and sugar baby can raise questions about the tax liability of the sponsored person. Persons responsible for the tax liabilities of taxpayers in Poland include

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<sup>59</sup> Judgment of the Regional Court in Poznań of 8 February 2018, XII C 989/17.

the so-called third parties. These persons are indicated directly in the provisions of the Tax Ordinance as being responsible for the taxpayer's tax liabilities. The administrative courts take a restrictive approach to this enumeration, and applying reasoning per analogism here is impossible. According to Article 111 § 1 of the Tax Ordinance:

” A member of the taxpayer's family shall be jointly and severally liable with the taxpayer carrying out business activities for tax arrears arising from those activities and arising during the period in which the member of the family continuously cooperated with the taxpayer in the performance of those activities, deriving benefits from the activities carried out by the taxpayer”.

The Tax Ordinance contains a legal definition of „family member”. According to Article 111 § 3 of the Tax Ordinance, „Members of the taxpayer's family shall be considered as descendants, ascendants, siblings, spouses of descendants, a person in an adoption relationship and a person in actual cohabitation with the taxpayer”<sup>[60]</sup>. The key term here is „in actual cohabitation”. It refers to a situation in which two people form an informal relationship that is nevertheless similar to marriage. Therefore, in Polish, the word „cohabitation” should be treated as related not only to the sexual domain but also to living together, forming some kind of emotional connection. Therefore, the above provision would not cover the sponsored person. As indicated above, if sugar dating does not have a sexual context, it would be subject to income tax on a general basis. In the case of Czech tax law, this problem does not exist as income from sugar dating should be taxed.

## 9 | Why are Polish administrative courts interested in prostitution in the context of tax law?

It may be surprising to an outside observer that Polish administrative courts deal relatively frequently with the issue of taxing prostitution according to personal income tax laws. In the Central Database of Administrative Court

<sup>60</sup> The fact that the taxpayer's spouse is not a family member is due to the fact that the spouse's liability is governed by different and much less favourable rules.

Jurisprudence<sup>[61]</sup>, as many as 121 judgments relating to personal income tax in which the term „prostytycja” (Eng. „prostitution”) appears and 143 judgments in which there is a slightly more archaic synonym for prostitution, namely „nierząd” (Eng. „harlotry”). This is the case even if we take into account that, in some of the judgments, the reference to prostitution is only used to explain the problem of taxing services that cannot be the subject of a legally effective contract.

The reasons lie in a sanctioning (as much as 75%)<sup>[62]</sup> income tax rate in Polish income tax law, which applies to undisclosed income<sup>[63]</sup>. In short, this is the taxation of expenses not covered by sources disclosed by the taxpayer. Tax authorities usually apply this regulation when a taxpayer incurs large expenditures despite a lack of corresponding income. Income is taxed in an amount corresponding to the excess of the expense over taxed income (revenue) or non-taxed income (revenue) obtained before the expense is incurred<sup>[64]</sup>. A taxpayer can avoid the tax if they can prove that although they had income that was not taxed, the non-taxation was due to the tax law. One source of untaxed income is income from activities that cannot be the subject of a legally valid contract, such as prostitution. It is quite safe for a taxpayer to demonstrate income from prostitution, as prostitution is not a criminalised activity under Polish law. Therefore, in the jurisprudential practice of Polish administrative courts, taxpayers try to convince the court that they have earned income from prostitution. At the same time, the tax authorities negate this by pointing to a lack of evidence<sup>[65]</sup>.

The paradox is that not only is prostitution not subject to income tax in Poland, but it is also a tool that taxpayers use to reduce their tax burden. It is, of course, difficult to assess how many cases taxpayers claim are true. Still, these claims are often attempts to conceal income earned from illegally conducted (and, as a result, untaxed) economic activity. In most cases, the assertions are not credible enough to convince the administrative

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<sup>61</sup> <https://orzeczenia.nsa.gov.pl/cbo/query>.

<sup>62</sup> The standard progressive tax scale in Polish personal income tax contains two rates: 12% and 32%.

<sup>63</sup> The official title of the chapter of the Personal Income Tax Act governing this issue is “Taxation of income not covered by disclosed sources or from undisclosed sources”.

<sup>64</sup> Article 25b(1) P.I.T.A.

<sup>65</sup> Judgment of the Supreme Administrative Court of 24 August 2021, II FSK 624/21; Judgment of the Regional Administrative Court in Gliwice of 19 January 2021, I SA/Gl 1031/20; and Judgment of the Supreme Administrative Court of 23 October 2018, II FSK 3069/16.

courts, and the courts do not give credence to taxpayers' assurances that they are deriving income from unlawfulness<sup>[66]</sup>.

The Czech legal system also contains regulations regarding „proof of income” and other facts related to increased wealth, consumption or other expenditures<sup>[67]</sup>. The tax administrator may call upon a taxpayer to prove their income if the income stated in the tax returns does not correspond to the increase in wealth or consumption and if the difference between the stated income and the increase in wealth exceeds CZK 5 million. The notice may only relate to a period for which the period for the tax assessment, normally three years, has not yet expired. An asset increase is obtained after deducting the debts associated with asset growth. On being challenged, the taxpayer proves that duly taxed sources have financed their assets.

If the taxpayer cannot prove the origin of their income, the tax authority will proceed to assess the tax according to „special” means. This means it will estimate the amount of concealed income the taxpayer has by comparing it with the increase in assets and assessing taxes paid. At the same time, the authority will impose a penalty of up to 100 per cent of the tax so assessed<sup>[68]</sup>.

## 10 | Conclusions

Sugar dating related to the provision of sexual services remains outside the sphere regulated by civil law in Poland. Since such relationships cannot be the subject of a legally valid contract, any income earned from such transactions is not taxable. The distance from which Polish civil law approaches contracts in a sexual context leads paradoxically to tax privileging. In fact, income derived from prostitution is not taxed. The result is that it is relatively common for taxpayers to claim that they engaged in paid sexual activities and derived income from this source. However, when

<sup>66</sup> Nevertheless, it is possible to indicate a few judgments in which taxpayers have won, such as the judgment of the Regional Administrative Court in Gliwice of 21 October 2010, I SA/Gl 476/10.

<sup>67</sup> See §§ 38x–38ze Income tax, Act No. 586/1992 Coll.

<sup>68</sup> Zákon o prokazování původu majetku dnes vstoupil v účinnost. <https://www.mfcr.cz/cs/aktualne/tiskove-zpravy/2016/zakon-o-prokazovani-puvodu-majetku-dnes-26765>. [accessed: 21.10.2022].



the sexual aspect disappears from the relationship between sugar daddies/sugar mommies and sugar babies, we are again dealing with an activity from which related income is subject to normal taxation rules.

As the article demonstrates, the Czech tax law is less formalistic. As a result, sugar babies' incomes are taxed. The question remains: Is income tax paid? Alternatively, are supposed payers of prostitution-related taxes simply „hiding” other activities? A comparison of legal regulations led to the rather surprising conclusion that, from a tax point of view, it is better to engage in sugar dating in Poland, which is regarded as a country of religious people, than in the Czech Republic, which is regarded as a country of atheists<sup>[69]</sup>. This is the result of Polish legal solutions, which exclude the taxation of many illegal events or contrary to morality. It is difficult to assess whether the differentiation in taxation rules regarding income from sugar dating has its roots in the differences in customs between the two countries. This seems to be an accidental effect of the legal constructions adopted.

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<sup>69</sup> The authors refer to stereotypes.

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