

SME INFO HU

TAX CHANGES ADOPTED IN AUTUMN 2024 IN HUNGARY



The purpose of SME INFO is to provide general information and to draw the attention to the current changes in law which we believe to be important for the business operation of our clients.

It is not a replacement for careful review of the acts and rules, and the consultation with your tax advisor.

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The Autumn Tax Package 2024 brought quite a lot of changes, both major and little. To give a few examples, there have been several changes in the area of family and housing allowances, to encourage sporting activities, a new tax administration procedure has been introduced the so-called data reconciliation, and platforms are now subject to the retail tax. This publication

focuses on changes in tax laws, not comprehensively, as usual, but highlighting topics we consider important. In addition, we review the major changes in accounting law in a separate newsletter, and we also publish two more publications related to the global minimum tax and the changes primarily affecting the payroll field.

The SME Team

1 PERSONAL INCOME TAX (PIT)

1.1 Clarification of the acquisition date of revenue⁽¹⁾

In cases where the individual does not earn income in cash, but e.g. in the context of a service received, the exact time of earning income (and thus the tax liability date) may be questionable. This is what the legislator tried to make clearer last year, and now it has been touched again.

As a result of this change, date of earning income is:

- in the case of self-produced services, the date on which the service provider becomes or would become liable for tax payment by the date of performance in accordance with the provisions of the VAT Act,
- in the case of services purchased, the date on which the document (eg invoice) of the service is available to the payer.

Effective 1 January 2025

1.2 Intellectual property exempt from taxation⁽²⁾

The amendment excludes from personal income tax revenues that would be generated by individuals (original rightholders) who create intellectual property, when intellectual property is brought into a business association as a contribution, thus supporting the creation of enterprises with innovative intellectual property.



Intellectual property according to PIT Act: invention, patents and industrial designs, trademarks, copyrighted goods, software products, other intellectual property (innovation, technical, economic, intellectual services, etc.), know-how and manufacturing processes among goods not protected by law but monopolized through secrecy.

Effective 1 January 2025

1.3 Two-stage increase in family tax base allowance as well as narrowing the scope of eligibility⁽³⁾

The family tax base allowance will increase in two stages. The amount of the increase varies depending on the number of dependants eligible for the allowance.

The first increase shall take place from 1 July 2025 per beneficiary dependant per month of entitlement, as follows:

- in case of one beneficiary dependant, the tax allowance will rise to HUF 15,000,

- to HUF 30,000 in case of two beneficiary dependants,
- and in the case of three or more beneficiary dependants, to HUF 49,500.

The second increase will take place from 1 January 2026, also per beneficiary dependant and month of entitlement, as follows:

- in case of a beneficiary dependant, the tax allowance will rise to HUF 20,000,
- in case of two beneficiary dependants, to HUF 40,000, and
- in the case of three or more beneficiary dependants, to HUF 66,000.

The family tax base allowance is available for all beneficiary dependants who qualify as a long-term ill or severely disabled person according to the Family Support Act (the same is true for individuals over the age of 18 who receive disability allowance instead of higher family allowances), in an increased amount per month of entitlement and per beneficiary dependant. This increased amount means an additional tax allowance of HUF 15,000 from 1 July 2025, and an additional HUF 20,000 from 1 January 2026.



The amendment narrows the scope of foreign recipients. From 1 January 2025, only individuals (beneficiaries, dependants) entitled to family allowances, disability allowances or other similar benefits under the legislation of EEA countries and non-EEA countries bordering Hungary (i.e. Ukraine and Serbia) — instead of any foreign country — will be eligible.

*Effective 1 July 2025 (first increase) and
1 January 2026 (second increase)*



1.4 Narrowing the scope of persons eligible for the allowance for young couples in first marriage and young people under the age of 25 years⁽⁴⁾

The tax base allowance for young couples in first marriage and young people under the age of 25 will be available to a narrower group of persons than previously. The restriction will further link the use of the benefit to citizenship, i.e. only citizens of EEA states and non-EEA states bordering Hungary (i.e. Ukraine and Serbia) will be able to claim these tax base benefits.

Effective 1 January 2025

1.5 Use of funds in the voluntary pension fund account for housing purposes for a limited period⁽⁵⁾

The amount registered in the voluntary pension fund account of the individual on 30 September 2024 may be used in 2025 (i.e. for a restricted period of time), for housing loan repayment, renovate and modernise housing, as detailed by law. Voluntary pension funds will send information to their fund members on the technical arrangements for this use.

Effective 1 January 2025

1.6 Use of 50% of the amount on the SZÉP card for other purposes⁽⁶⁾

The scope of use of the amount registered on the SZÉP card will be expanded but limited in time. The amount registered on the SZÉP card on 1 January 2025 and 50 percent of the employer's support transferred to the account until it is used in 2025 will also be available for housing renovation, but only in 2025.

The products and services that can be considered for housing renovation will be determined by the relevant government decree..

Effective 1 January 2025

1.7 New SZÉP Card sub-account: supporting an active lifestyle with preferential taxation⁽⁷⁾

The legislator attaches a new sub-account called „Active Hungarians” to the SZÉP Card and designates active lifestyle as the area of use of the amount transferred to this sub-account.

The benefit qualifies as non-wage benefit up to HUF 120,000 per year if the employee's employment relationship maintained throughout the year. Any benefit given in excess of the above limit is considered a specific defined benefits.

Effective 1 January 2025

1.8 Housing support for employees under 35 years of age through preferential taxation⁽⁸⁾

In order to improve the housing situation, the legislator introduces a fixed amount allowance for housing with preferential taxation for employees under the age of 35. The condition for receiving the allowance is that the employee presents his or her rental or loan agreement as proof of lawful use.

The allowance can be given as a non-wage benefit in the amount of HUF 1,800,000 per year, if the employee's employment relationship maintained throughout the year. Above this threshold, housing allowance is taxed as specific defined benefits.



The total amount of housing allowance may not exceed the certified amount of the rent or loan agreement. If this amount is exceeded, 50% of the allowance in excess of the certified amount will be charged to the individual as a differential penalty, which the individual is obliged to include in his/her personal income tax return for the tax year and pay it as personal income tax when the return is due.

Effective 1 January 2025

1.9 New tax-free benefit: zoo tickets and passes⁽⁹⁾

In addition to tickets and passes for sporting events and cultural services, a new tax-free benefit will be introduced.

Non-refundable tickets and passes for zoos covered by Act XXVIII of 1998 on the Protection and Welfare of Animals will be tax-free provided that the payer provides them in the tax year in an amount not exceeding the minimum wage.



Tickets and passes cannot be provided in the form of vouchers.

Effective 1 January 2025

1.10 New tax-free benefit: maintenance of sports facilities and provision of sports equipment⁽¹⁰⁾

A new element of the non-monetary benefits exempt from tax is the supply of a service by the payer consisting in the free or reduced-rate use provision of a sports facility and sports equipment installed in the facility maintained by the payer.

Effective 1 January 2025

2 CORPORATE INCOME TAX (CIT)

2.1 Addition to special provisions on tax avoidance⁽¹¹⁾

The differences resulting from different legal classifications between states are listed exhaustively in the CIT Act: among others, this is the case if a taxpayer recognises a cost or expense or applies a tax base reduction that, due to the difference between domestic and foreign law, is recognised as a cost or expense (tax base reduction) in the corporate tax base or the tax base corresponding to it for both the taxpayer and a foreign person. Thus, tax avoidance arises because of differences in the legal classification of the same situation.

In this case, the amendment supplements the provisions of the CIT Act on tax avoidance, according to which double deduction can still be offset against double-counted income arising in subsequent tax years.

Effective 29 November 2024

2.2 Changes related to tax allowance on sponsorship of popular team sports⁽¹²⁾

As a novelty item, support can also be provided to the National Federation of Popular Team Sports for the costs of operating sports property.

In addition, further changes have been made to the detailed rules of supporting popular team sports. For those who give or plan to give grants for this purpose in the future, we recommend getting more detailed information.

Effective 29 November and 29 December 2024



2.3 Land used for the storage of hazardous waste – depreciation according to the Act on Accounting is eligible⁽¹³⁾

According to the law modification the value of land used for the storage of hazardous waste may be depreciated and an amount equal to the depreciation as per the Act on Accounting is deductible for corporate tax purposes. Based on the choice of the taxpayer, the amendment is applicable for the first time for the year 2024.

Entry into force: applicable for the first time for tax year 2024

2.4 Tax allowance on support provided to cinematographic works – legislative harmonisation provision⁽¹⁴⁾

The availability of corporate tax allowance for film support has been extended until 31 December 2030 (as a result of the amendment of the relevant European Commission decision).

Effective 29 November 2024

2.5 New eligible cost – free benefits related to certain popular team sports⁽¹⁵⁾

Under the legislative amendment, free benefits that meet the following conditions are considered as eligible costs for CIT purposes:

- The free allowance is granted to a professional sports organization operating in popular team sports which derives at least 75 per cent of its turnover (according to the CIT Act) from sports activities in the tax year of the allowance.
- The amount accounted for as expenses and expenses does not exceed 1 percent of the taxpayer's revenue in the tax year (according to the CIT Act).
- The benefit is neither provided within the framework of tax allowance support for popular team sports support, nor within the framework of a tax base reduction based on a donation agreement with public benefit organizations.
- The taxpayer has a written certificate issued by the sports organization operating in popular team sports with the content specified in the CIT law.

If the amount of the benefit exceeds 1 percent of the taxpayer's turnover (according to the CIT Act) in the tax year, only the amount corresponding to 1 percent can be deducted from the tax base.

Effective 1 January 2025

2.6 The tax base relief based on the crisis communication will be abolished⁽¹⁶⁾

In the case of the tax relief available under the general de minimis regulation, taxpayers had the choice of claiming the tax relief on the basis of the Temporary Crisis Framework and its Communication from the European Commission (the so-called Crisis Communication) on the Russian-Ukrainian war.

In view of the termination of the relevant section of the Communication, the possibility to claim corporate tax relief under the Crisis Communication will be abolished.



The transitional development tax allowance, which is also available on this basis, can still be claimed until 31 December 2025.

Effective 29 November 2024

2.7 Research and development tax incentive⁽¹⁷⁾

The R&D tax incentive introduced in connection with the global minimum tax may be applied for the first time to eligible costs of a R&D project started on or after 1 January 2024, at the choice of the taxpayer. Under the previous regulation, the tax incentive would have been applicable for the first time to eligible costs for the 2024 tax year.

Effective 29 November 2024

3 VALUE ADDED TAX (VAT)

3.1 New tax base reduction option⁽¹⁸⁾

This is an amendment introduced as the consequence of a 2024 judgement of the Court of Justice of the European Union condemning the Hungarian tax authority (Novo Nordisk AS C-248/23). Its essence is to allow taxpayers to use the possibility of reducing the VAT base retrospectively even in the case of cash refunds (payment obligations) made on the basis of legal requirements, thus ensuring, for example, that pharmaceutical companies involved in the above-mentioned case can reclaim the VAT amounts they paid on their statutory pharmaceutical tax payments through their VAT returns.

Effective 29 November 2024

3.2 Subsequent discounts as tax base reduction items – based on receipts⁽¹⁹⁾

From 1 July 2025, a subsequent reduction in the tax base may also be applied to receipt purchases regarding price discounts granted after the transaction has been completed, without modification or termination of the contract, if the performance of the transaction is not certified by an invoice because VAT Act did not require the debtor to issue an invoice. However, this is subject to changing the data content of the receipt.

Effective 1 July 2025

3.3 Tightening of the right of deduction assignment in case of importation of goods⁽²⁰⁾

The current rules in the case of import transactions: if the importer appoints an indirect customs representative, the importer can assign his right of deduction to the representative, so that the indirect customs representative handles the import in full scope.

The amending legislation tightens up this possibility of assignment and imposes several conditions, both on the assigning importer and on the indirect customs representative. The conditions:

- The importer shall be entitled to the unlimited right of deduction and shall declare this to the representative.
- The importer declares VAT in a monthly basis.
- An importer is not considered to be a risky taxpayer.
- The importer shall be a reliable taxpayer, or if he is not, the representative must carry out a so-called partner check and provide data on the results to the tax authority.
- The indirect customs representative shall be a reliable taxpayer.

Effective 1 March 2025

3.4 E-receipt system postponement

According to the amending provision, the e-receipt concept will be launched on 1 July 2025 instead of 1 January 2025 as previously planned.

Effective 29 November 2024

3.5 Changes in M-sheets data reporting⁽²¹⁾

The tax law package also introduces changes in the data reporting of summary document (i.e. M-sheets) that are part of VAT returns. The essence of the amendment is that from next year the received invoice amount (tax base and tax) related to each taxpayer will have to be given in HUF on M-sheets, but the cumulative value will still have to be indicated rounded to one thousand forints in the return itself. According to the legislator, the purpose of the amendment is to ensure a more accurate match between the data in the M sheets and the data in the online data reporting.

Effective 1 January 2025

3.6 Favourable tax rate for newly constructed homes will remain until the end of 2026

The 5% tax rate will remain on the sale of new-build homes until 31 December 2026.

Effective November 29, 2024

4 LOCAL TAXES

4.1 Local Business Tax — Air passenger transport operator — modification to place of establishment rule⁽²²⁾

Under the rules currently in force, the establishment of an air passenger transport operator is deemed to be the area of the municipality where there is an airport from which the operator operates flights.

The amendment supplements the above regulation: a foreign air carrier whose state of residence is a party to the Convention on International Civil Aviation, opened for signature in Chicago on 7 December 1944, does not have a deemed place of establishment in Hungary.

The amendment can also be applied to tax liability for 2024.

Effective 1 January 2025

4.1 Building tax – new tax exemptions⁽²³⁾

Under the amended law, the following structures are exempt from building tax:

- a building classified as a local monument or national monument under monument protection in the year of its acquisition and in the following

three years (in case of a non-natural person owner, the exempted amount is maximum the HUF equivalent of EUR 100 million per property),

- a structure neither listed in the land register as a structure intended for animal or plant production, nor as a storage structure related to livestock or plant production, provided that despite this it is listed as such on an official certificate issued by the agricultural administration body competent for the location of the building.

Effective 1 January 2025

5 SOCIAL CONTRIBUTION TAX

5.1 Allowance for labour market entrants⁽²⁴⁾

The restrictions contained in Government Decree 182/2024 (8 July 2024), which is applicable from 1 August 2024, will be transposed into the Social Contribution Tax Act. This means an increase in the period of investigation for eligibility for the labour market entrants' allowance and a simultaneous reduction in the period and rate of entitlement.

The rules introduced in the Act will apply to employment relationships established from 1 January 2025.

Effective 1 January 2025

5.2 Deadline for declaration and payment of social contribution tax for certain defined benefits and non-wage benefits⁽²⁵⁾

In line with the changes to the PIT Act from 1 January 2024, the obligation to assess, declare, and pay the tax on the benefits referred to in the title on a quarterly basis will also be included in the Social Contribution Tax Act overwriting the previous monthly basis rule.

Effective 1 January 2025

6 RETAIL TAX

6.1 Platform operator appears as a new taxpayer

Both domestic and non-resident platform operators become taxable persons. To determine who qualifies as a platform operator, the Retail Tax Act does not use its own definition but refers back to Act XXXVII of 2013 on the rules of international administrative cooperation related to taxes and other public charges.



Platform operator: an entity that enters into a contract with sellers to make that platform or part of the platform available to sellers.⁽²⁶⁾

6.1.1 Platform operator's notification obligation⁽²⁷⁾

The platform operator is obliged to register within 15 days of becoming a taxable person.

6.1.2 Tax base of the platform operator⁽²⁸⁾

The sum of net sales of goods sold through the platform by taxable persons (both domestic and foreign persons) performing retail activities in the tax year. If the platform operator itself carries out retail activities, the taxable amount of its own retail activity and the retail trade flowing through it as a platform operator have to be added together to calculate its tax base.



In the case of a platform operator, the net revenue from the sale of goods sold through the platform in the context of its own retail activity is not included in its taxable amount, thus avoiding double counting.

6.1.3 Tax of the platform operator⁽²⁹⁾

The platform operator shall reduce the tax calculated on its tax base by tax on the net revenue from the sale of goods supplied abroad.

6.2 Changes affecting taxable persons carrying retail activities (not platform operators)

In the context of the emergence of platform operators as new taxable persons, several changes affect taxable persons carrying out retail activities.

6.2.1 Tax on retail activities⁽³⁰⁾

The taxable person (not platform operator) shall reduce the tax calculated on his tax base by the following items:

- tax on the net turnover from retail fuel sales,
- tax on the net turnover from the sale of goods transferred abroad, and,
- if it (also) sells through a platform, the tax on the net sales proceeds from the sale of goods obtained through that platform (and transferred domestically).

6.2.2 Changes to tax returns⁽³¹⁾

The taxable person (not platform operator) carrying retail activities shall indicate in the tax return the net turnover from the sale of goods sold domestically through the platform, separately for each platform, by identifying the platforms.



Taxable persons carrying out retail activities must declare the above information even if they are not otherwise liable to pay tax.

6.2.3 Special requirements for payment of tax⁽³²⁾

If the platform operator fails to comply with its tax liability and the tax debt cannot be recovered from it, the retailer selling through the platform will be liable to pay the tax on its behalf in proportion to its tax base, which shall not be less than the tax attributable to the net turnover of the sale of goods sold through the platform and transferred domestically.

6.2.4 Other modifications

For retail activities carried out by foreign tax resident taxpayers, from 2025 onwards, the tax base will be the income from worldwide retail sales (domestic and international), on the basis of which the taxpayers concerned will determine their retail tax liability on the basis of higher tax rates. However, the tax thus determined shall be reduced by the tax on revenue received in respect of goods transferred abroad.

Effective 1 January 2025; for taxpayers with a financial year other than the calendar year, in the tax year starting in 2025

7 SMALL BUSINESS TAX (KIVA)

7.1 Narrowing of the allowance for labour market entrants⁽³³⁾

A KIVA taxpayer may also account for a tax allowance within KIVA for a person entering the labour market as defined in the Social Contribution Tax Act. The amount of the discount is determined by the KIVA Act itself, it does not refer to the rate specified in the Social Contribution Tax Act. For this reason, although the Social Contribution Tax Act's allowance for labour market entrants was amended by a government decree as of 1 August 2024, this change did not apply to the KIVA Act. This discrepancy is corrected by the current legislative amendment. The conditions for receiving the allowance for labour market entrants will be modified and will become identical in content to those described in the Social Contribution Tax Act.

Effective 1 January 2025

8 ADVERTISEMENT TAX

The 0% rate of advertising tax has been extended for another 1 year, meaning that no advertising tax liability will continue until 31 December 2025.

Effective November 29, 2024

9 CAR TAX

9.1 Introduction of valorisation mechanism⁽³⁴⁾

The amendment introduces an annual valorisation mechanism. The benchmark is the change in the consumer price index for the month of July of the year preceding the year in question, as published by the Central Statistical Office, compared with the same period of the previous year.

This mechanism will apply from 2025 to vehicle tax and tax on vehicles registered abroad, and from 2026 to the company car tax.

The tax rates determined in accordance with the above are published by the tax authority on its website by 31 October of the year preceding the reference year. Under a transitional provision, the measures should be published for the first time by 15 December 2024.

Effective 1 January 2025

9.2 Changes affecting the taxation of non-purely electric cars⁽³⁵⁾

From 1 January 2025, only purely electric cars will be exempt from vehicle tax and company car tax.

Temporarily, until the end of 2026, vehicles registered or entered in the official register before 1 January 2025 with an environmental class 5P or 5N will be exempt.

Effective 1 January 2025



10 FINANCIAL TRANSACTION DUTIES⁽³⁶⁾

The legislative amendment incorporates the provisions of the Extra-Profit Tax Government Decree relating to the financial transaction duties but does not contain any new provisions.

Effective 1 January 2025

11 CHANGES TO EXTRA-PROFIT TAXES

The following extra-profit taxes will remain in effect in 2025 based on government decree.

11.1 Special tax on credit institutions and financial enterprises⁽³⁷⁾

The basis of the special tax for the 2025 tax year is the profit before tax in 2023, taking into account the usual tax base adjustment items as applied in previous years.

The tax rate will decrease compared to the 2024 tax rate: 7% up to HUF 20 billion, and 18% for the tax base over HUF 20 billion.

The special tax for the 2025 tax year must be declared by 10 June 2025 and paid in two equal instalments – 10 June and 10 December 2025.

There is still the possibility of reducing the extra-profit tax liability in the case of purchases of government securities. If the taxpayer wishes to make use of this option, it must indicate this in the return submitted to the tax authority by 10 December 2025.

Effective 1 January 2025

11.2 Additional insurance tax⁽³⁸⁾

The additional insurance tax must also be paid for the 2025 tax year. The tax rate shall be amended as follows:

- Non-life insurance services: 3 percent for the part of the tax base not exceeding HUF 48 billion, 14 percent for the part above HUF 48 billion;
- Life insurance services: 2 percent for the part of the tax base not exceeding HUF 48 billion, 6 percent for the part above HUF 48 billion.

The additional tax shall be paid in two equal instalments by 31 January 2026 and 31 July 2026.

By 10 December 2025, an advance payment of additional tax must be declared and paid based on the insurance fee calculated between 1 January

and 30 November 2025. If the amount paid as an advance exceeds the final tax amount, the difference can be reclaimed from 31 July 2026.



As a novelty, insurance companies can also reduce their extra-profit tax liability by purchasing government securities if they comply with the requirements. If the taxpayer wishes to use of this reduction option, it must indicate this in the return submitted to the tax authority by 10 December 2025.

Effective 1 January 2025

11.3 Retail tax⁽³⁹⁾

The higher tax rate for taxpayers carrying out retail activities established by government decree will also be extended to the tax year starting in 2025.

Effective 1 January 2025

11.4 Income tax on energy suppliers

The higher tax rate (41%) established by government decree will also be extended to the tax year starting in 2025.

Effective 1 January 2025

12 RULES OF TAXATION

12.1 New type of cooperation with the tax authority⁽⁴⁰⁾

A new data reconciliation procedure will be introduced. Under this new procedure, the tax authority will be able to request data and information collected previously in the context of a compliance check. The taxpayer will have to complete the data reconciliation via a – currently unknown – pre-defined electronic interface within 15 days of the tax administration's request. The amendment levies a default fine of HUF 300,000 against taxpayers who do not cooperate in the data reconciliation procedure and fail to comply with it.

Effective 1 January 2025

12.2 Obligation of Hungarian branches of foreign companies to open domestic bank account⁽⁴¹⁾

According to the amendment, the legislator supplements the list of persons obliged to open a domestic payment account (domestic legal entity, natural person subject to VAT payment and sole proprietorship) with the Hungarian

branch office of foreign enterprises. Based on the transitional provision, the Hungarian branch office of a foreign company is obliged to open a domestic payment account by 31 January 2025.

Effective 1 January 2025

12.3 More favourable deadline for corporate taxpayer groups to submit an interim tax return⁽⁴²⁾

The Act on Rules of Taxation has been modified to provide a more favourable deadline for corporate taxpayer groups to submit interim tax returns. According to the amendment, in the case of taxes declared in annual returns, upon the occurrence of events such as if the taxpayer's place of management changes to abroad or merges with another taxpayer in another Member State, the group taxpayer that ceases to exist shall submit the necessary interim tax returns within 90 days of the event triggering the interim return obligation, instead of 30 days.

Effective 1 January 2025

12.4 There will be a tighter deadline in the cancellation of tax numbers of non-filers⁽⁴³⁾

The amendment reduces the current deadline rule, according to which the tax authority deletes the taxpayer's tax number if the taxpayer fails to file the VAT return (with a summary statement) or the monthly tax and contribution return within 180 days of the due date, despite the tax authority's notice. The 180 days will be reduced to 90 days as part of the amendment.

Effective July 1, 2025

12.5 „Dutch letter“ is amended⁽⁴⁴⁾

The term „Dutch letter“ refers to the information letter sent by the tax authority to taxpayers when, based on its data it detects that taxpayers are involved in complex tax transactions with several actors, each of whom is acting in a way that aims to avoid and not apply tax laws lawfully. The rule of this official information has been amended several times in recent years, the current amendment brings back an earlier regulation, i.e. which states that the partner's claimed violation will henceforth be enough to send the so-called „Dutch letter“.

Effective 1 January 2025

12.6 New default penalty in the process of clarifying insurance status⁽⁴⁵⁾

According to the amendment, those who fail to provide tax and contribution data on the declared employee (co-entrepreneur) will be warned by the tax authority and will be given a 15-day deadline to provide them. If the deadline expires without result, the tax authority will impose a default penalty of HUF 100,000. The HUF 100,000 rate multiplies in case of more employees. According to the wording, the amount of the default penalty is itemised, i.e. not a possible maximum, but an itemised amount. If the requested taxpayer fulfils its obligation within the deadline (provides the missing data), no default penalty will be imposed.

Effective 1 July 2025

13 TAX ADMINISTRATION

13.1 Introduction of a new electronic communications network in hearing⁽⁴⁶⁾

The law modification introduces a new way of contacting for cases where the taxpayer (or its representative, agent) needs to be heard by the tax authority. The detailed rules lay down important elements such as presence, identification of the person to be heard, method of interview and minutes requirements.

Effective 1 July 2025

13.2 New possibility to control transfer pricing documentation and reporting obligations⁽⁴⁷⁾

A new item is added to the scope of the Act on Tax Administration's legal compliance verification section. Based on the new clause, the tax authority will have the opportunity to check, within the framework of a legal compliance verification, also before the closing of the tax return period:

- the completion of the transfer pricing documentation,
- transfer pricing reporting obligation,
- the obligation to retain documents relating to transfer pricing records,
- transfer pricing records (reality, authenticity).

In the above mentioned case the deadline for legal compliance verification is 60 days.

Effective 1 January 2025



References

- 1 Act CXVII of 1995 on Personal Income Tax 9 § (2) c)
- 2 Act CXVII of 1995 on Personal Income Tax 7 § (1) zs) and 3§ 52
- 3 Act CXVII of 1995 on Personal Income Tax – Section 29/A (2), (2a)
- 4 Act CXVII of 1995 on Personal Income Tax – Section 29/C (7) and 29/F (6)
- 5 Act CXVII of 1995 on Personal Income Tax – Annex 1, Section 6, Subsection 6.8 and Act XCVI of 1993 on Voluntary Mutual Insurance Funds, Section 74
- 6 Act CXVII of 1995 on Personal Income Tax 71 § (1)
- 7 Act CXVII of 1995 on Personal Income Tax 71 § (1a), 70 § (7) c), 70 § (8a)
- 8 Act CXVII of 1995 on Personal Income Tax 71 § (1b), 70 § (7) c), 70 § (8b)-(8d)
- 9 Act CXVII of 1995 on Personal Income Tax Annex 1, item 8, subsection 8.28(c)
- 10 Act CXVII of 1995 on Personal Income Tax Annex 1, item 8, subsection 8.7(c)
- 11 Act LXXXI of 1996 on Corporate Tax and Dividend Tax 16 §/B
- 12 Act LXXXI of 1996 on Corporate Tax and Dividend Tax 22 §/C
- 13 Act LXXXI of 1996 on Corporate Tax and Dividend Tax Annex 1 5(i)
- 14 Act LXXXI of 1996 on Corporate Tax and Dividend Tax 30 §/N
- 15 Act LXXXI of 1996 on Corporate Tax and Dividend Tax, Annex 3, Part B, Part 27.
- 16 Act LXXXI of 1996 on Corporate Tax and Dividend Tax 22 §/B (24), (28) h
- 17 Act LXXXI of 1996 on Corporate Tax and Dividend Tax 29 §/A. (118)
- 18 Act CXXVII of 2007 on Value Added Tax 77 § (4a)
- 19 Act CXXVII of 2007 on Value Added Tax 78 § (2a)
- 20 Act CXXVII of 2007 on Value Added Tax 129 § (1), (1a)-(1d), (2), (4)-(6)
- 21 Act CXXVII of 2007 on Value Added Tax Annex 10. point 12
- 22 Act C of 1990 on Local Taxes – Section 52 (31) f)
- 23 Act C of 1990 on Local Taxes 13 § (d) and (e)
- 24 Act LII of 2018 on Social Contribution Tax Section 11 (2) – (3)
- 25 Act LII of 2018 on Social Contribution Tax 8 § (2b)

- 26 Act XXXVII of 2013, Annex 5, point I/A/2
- 27 Act XLV of 2020 on Retail Tax 7 § (7)
- 28 Act XLV of 2020 on Retail Tax 4 § (1a)-(1b)
- 29 Act XLV of 2020 on Retail Tax 6 § (4)-(5)
- 30 Act XLV of 2020 on Retail Tax 6 § (3)
- 31 Act XLV of 2020 on Retail Tax 7 § (1a)
- 32 Act XLV of 2020 on Retail Tax 7 § (8)
- 33 Act CXLVII of 2012. on the itemised tax of small taxing enterprises and on the small business tax 2 § 20 (b)
- 34 Act LXXXII of 1991 on Motor Vehicle Tax 7 §/A, 16 §, 17 §/E, 19 §/D (2)
- 35 Act LXXXII of 1991 on Motor Vehicle Tax 19 §/D (1)
- 36 Act CXVI of 2012 – on Financial Transaction Duty 8 §/B
- 37 197/2022 (VI.4.) Government Decree – on extra-profit taxes 1 §
- 38 97/2022 (VI.4.) Government Decree – on extra-profit taxes 16 §
- 39 197/2022 (VI.4.) Government Decree – on extra-profit taxes 21 § (3)
- 40 Act CL of 2017 on the Rules of Taxation 138 §/A and 229 §/B
- 41 Act CL of 2017 on the Rules of Taxation 114 § (1) and 274 §/U. (3)
- 42 Act CL of 2017 on the Rules of Taxation 52 § (2)
- 43 Act CL of 2017 on the Rules of Taxation Section 246 (1) g)
- 44 Act CL of 2017 on the Rules of Taxation 267 §
- 45 Act CL of 2017 on the Rules of Taxation 225 § /A
- 46 Act CLI of 2017 – on the Tax Administration – 54 § (4) and 34 §/A
- 47 Act CLI of 2017 – on the Tax Administration – 91 § (1) e) and 94 § (1b)