

TAX RATES IN HUNGARY

Valid as of 01 January 2023



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EMPLOYMENT-RELATED TAXES

TAXES AND CONTRIBUTIONS PAYABLE BY EMPLOYERS

Social contribution tax.....	13%
Total tax liability of employers based on gross salary.....	13%
Rehabilitation contribution.....	HUF 2 088 000/ person/year

TAXES AND CONTRIBUTIONS PAYABLE BY EMPLOYEES

Personal income tax.....	15%
Social security contribution.....	18.5%
Total deductions from gross salary.....	33.5%

TAXES ON SEPARATELY TAXABLE INCOME

Personal income tax.....	15%
Social security contribution.....	13%
but no more than.....	HUF 624 000/year

TAXES ON CONSUMPTION

VALUE ADDED TAX (VAT)

General VAT rate.....	27%
Reduced tax rates.....	5% and 18%

REGISTRATION TAX

Passenger cars.....	HUF 45 000 to 4 800 000
Hybrid drive cars.....	HUF 76 000
Eco-friendly cars.....	HUF 0

ENVIRONMENTAL PRODUCT FEE

Batteries.....	HUF 57/kg
Packaging materials.....	HUF 19-1900/kg
Other crude oil products.....	HUF 114/kg
Electric appliances.....	HUF 57/kg
Tyres.....	HUF 57/kg
Paper used for advertising display.....	HUF 85/kg
Other plastic products.....	HUF 1,900/kg

Other chemical products.....	HUF 11 to HUF 57/kg
Office paper.....	HUF 19/kg

CUSTOMS

Hungary is a member of the European Union and thus the EU Customs Union, which allows for free trade among Member States without duty payment or customs administration. The EU Customs Union provides unified and non-bureaucratic procedures across the EU. When importing goods from outside the EU, the same rules and duty rates apply upon customs clearance regardless of the Member State in which the goods are to be released for free circulation. The amount of the customs duty must be determined in accordance with the rules applicable at the time when the customs liability arises. In order to determine the amount of the customs duty, one must know the origin and customs tariff number of the goods and the applicable duty rate. The rates of duties levied on the various goods are set out in the Combined Nomenclature.

EXCISE TAX

Pursuant to excise regulations, excise goods may only be produced, stored, traded in free circulation, exported, imported, or sold in or acquired from Community circulation only if the proper licence defined in the Act on Excise Tax has been obtained. Categories of excise goods include beer, still and sparkling wine, other still and sparkling drinks, intermediate alcohol products, alcohol products and tobacco products.

The rate of excise tax is different and determined separately for each category of excise goods based on volume and use.

In 2023, the tax rates set out in Government Decree No. 197/2022. (VI. 4.) (the so-called „Excess Profits Tax” Decree) apply to specific goods subject to excise tax instead of the rates specified in Act LXVIII of 2016.

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INCOME TAXES OF ENTREPRENEURS

Corporate income tax.....	9%
The option of group corporate income tax has been available since 1 January 2019.	
Minimum income.....	2%
Small business tax (KIVA).....	10%
(KATA).....	HUF 50 000/person

LOCAL MUNICIPALITY TAXES

TOWN TAX

Local municipalities decide on tax rates at their own discretion.

LOCAL BUSINESS TAX

As a general rule, the maximum rate is 2% of the tax base. Taxpayers with revenues of up to HUF 25 million (or HUF 120 million in the case of retailers paying flat-rate tax) are entitled to use a flat tax base. The three brackets and the respective tax bases are as follows:

- Revenues not exceeding HUF 12 million: the tax base is HUF 2.5 million
- Revenues between HUF 12 million and HUF 18 million: the tax base is HUF 6 million
- Revenues between HUF 18 million and HUF 25 million: the tax base is HUF 8.5 million

BUILDING TAX

Up to HUF 1,100/m² or up to 3.6% of the adjusted retail value, and local municipalities have the right to increase these tax rates in line with the consumer price index.

LAND TAX

Up to HUF 200/m² or 3% of the adjusted retail value, and local municipalities have the right to increase these tax rates in line with the consumer price index.

COMMUNAL TAX OF INDIVIDUALS

Up to HUF 17,000 for each building, piece of land or rental right, and local municipalities have the right to increase this tax rate in line with the consumer price index.

TOURISM TAX

Up to HUF 580/person/night.

INCOME TAXES OF INDIVIDUALS

Entrepreneurial personal income tax.....	9%
Personal income tax.....	15%
Simplified contribution to public revenues (EKHO).....	13%
(For pensioners.....)	9.5%
EKHO levied on payers.....	13%

SPECIAL TAXES

FINANCIAL TRANSACTION DUTY

The rate of the tax is 0.3% of the tax base, capped at HUF 10 thousand. Cash payment transactions: a tax of 0.6% applies with no caps. Not payable in the case of transfers involving amounts under HUF 20,000 and post office payments.

INCOME TAX OF ENERGY SUPPLIERS (ROBIN HOOD TAX)

General rate.....	41%
Special tax of producers of crude oil products.....	95%
Special tax of licence holders subject to the KÁT and METÁR decrees:	65%

ADVERTISING TAX

0% of the tax base for the period between 1 July 2019 and 31 December 2023.

TOURISM DEVELOPMENT CONTRIBUTION

General rate.....	4%
Liabilities waived until 31 March 2023.	

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TELECOMMUNICATIONS TAX

Individuals.....	HUF 2/minute/SMS/MMS
For subscribers.....	up to HUF 700/month
Non-individuals.....	HUF 3/minute/SMS/MMS
For subscribers.....	up to HUF 5000/month

TELECOMMUNICATIONS SURTAX

For revenues:	
not exceeding HUF 1 bn.....	0%
between HUF 1 bn and HUF 50 bn.....	1%
between HUF 50 bn and HUF 100 bn.....	3%
in excess of HUF 100 bn.....	7%

SPECIAL TAX OF FINANCIAL ORGANISATIONS, UNDERWRITERS AND INVESTMENT FUNDS

Credit institutions not exceeding HUF 50 bn.....	0.15%
Credit institutions (above HUF 50 bn).....	0.2%
Investment enterprises.....	6.5%
Stock exchanges, venture capital companies.....	0%
Distributors and investments funds.....	0.05%
Special tax of credit institutions and financial enterprises (excess profits tax).....	8%

RETAIL TAX

For revenues:	
not exceeding HUF 500 mn.....	0%
between HUF 500 mn and HUF 30 bn.....	0.15%
between HUF 30 bn and HUF 100 bn.....	1%
in excess of HUF 100 bn.....	4.1%

PUBLIC UTILITY TAX

Line route.....	HUF 125/m
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TAX FOR THE FINANCIAL AND INSURANCE SECTORS

Revenues in excess of HUF 36 bn.....	12%
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CONTRIBUTION OF AIRLINES

Within the EU.....	HUF 3900
Other destinations.....	HUF 9750

SPECIAL TAX OF PRODUCERS OF PHARMACEUTICAL PRODUCTS

Tax base	
not exceeding HUF 50 bn.....	1%
between HUF 50bn and 150 bn.....	3%
in excess of HUF 150 bn.....	8%

SPECIAL TAX OF DISTRIBUTORS OF PHARMACEUTICAL PRODUCTS

Manufacturer's price	
not exceeding HUF 10 000.....	20%
in excess of HUF 10 000.....	28%

PUBLIC HEALTH PRODUCT FEE (NETA)

A single-stage sales tax levied on foodstuffs harmful for public health which is payable on various products containing sugar, salt and caffeine. The tax rate depends on the subject of the tax liability.

In 2023, the tax rates specified in Government Decree No. 197/2022. (VI.4.) are payable on specific products instead of the tax rates set out in the relevant act.

- **HUF 360/litre** where concentration is 15 %v/v or higher but less than 25 %v/v
- **HUF 600/litre** where concentration is 25 %v/v or higher but less than 35 %v/v,
- **HUF 850/litre** where concentration is 35 %v/v or higher but less than 45 %v/v,
- **HUF 1,100/litre** where concentration is higher than 45 %v/v.

MINING FEES

The tax rate is a certain percentage of the value generated through the amount of minerals extracted, utilised and used, or of the value of geothermal energy generated.

48%: for crude oil and natural gas extracted from hydrocarbon fields where production started before 1 January 2008 (with certain exceptions)

42%: for natural gas extracted from hydrocarbon fields where production started before 1 January 1998 and sold at free market prices (with certain exceptions),

36%: for crude oil and natural gas extracted during trial production and from hydrocarbon fields where production started after 1 January 2008 (with certain exceptions)

OTHER TAXES AND DUTIES

Vehicle tax.....	HUF 140 to 345/kWh
Company car tax.....	HUF 14,000 to HUF 81,000

INSURANCE TAX

Casco.....	15%
Property insurance and accident insurance.....	10%
Provision of motor third-party liability insurance.....	23%

but no more than **HUF 83/vehicle** per calendar day of the risk period covered by the insurance company.

INSURANCE SURTAX FOR 2023

Depending on the activity	
not exceeding HUF 2 bn.....	1% or 2%
between HUF 2 bn and 36 bn.....	1.5% or 4%
in excess of HUF 36 bn.....	3% or 7%

PROPERTY TRANSFER TAX

Ingatlannal vagy ingatlanvagyonnal rendelkező társaság 1 mrd Ft-ig.....	4%
Ingatlannal vagy ingatlanvagyonnal rendelkező társaság 1 mrd Ft feletti része.....	2%
Gépjárművek.....	300-850Ft/kW

INHERITANCE AND TRANSFER TAX

General rate.....	18%
Acquisition of residential property or residential property-related valuable rights free of charge.....	9%

PROCEDURAL DUTY

The duty is determined based on the value of the subject matter of the procedure, or in a pre-defined amount.

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