

Tax facilities for the exposed industries

The public dues of businesses operating in the exposed industries will be reduced as of 24 March 2020^[1].

Businesses of the exposed industries, except for the payers considered budgetary organs are the following ones performing the activity as actual a principal activity:

- taxi services (under TEÁOR and TESZOR 49.32),
- accommodation services (under TEÁOR and TESZOR 55),
- catering (under TEÁOR and TESZOR 56),
- creative, arts and entertainment activities (under TEÁOR and TESZOR 90),
- sports activities and amusement and recreation activities (under TEÁOR and TESZOR 93),
- gambling and betting services (under TEÁOR and TESZOR 92),
- motion picture, video and television programme production services, sound recording and music publishing (under TEÁOR and TESZOR 59),
- convention and trade show organization services (under TEÁOR and TESZOR 82.30),
- publishing of newspapers (under TEÁOR and TESZOR 58.13),
- publishing services of journals and periodicals (under TEÁOR and TESZOR 58.14) and
- programming and broadcasting services (under TEÁOR and TESZOR 60).

Principal activity means the activity from which the most revenue but at least 30% of the revenue of the taxpayer was earned in six months prior this regulation.

Social security tax exemption

For March, April, May and June of 2020 social security tax shall not be paid by the following taxpayers operating in exposed industries

- the payer regarding a natural person employed in work relationship,
- the private entrepreneur with regard to this employment status, and
- the business partnership [2] according to Tbj[3] with regard to this employment status.

Pension insurance, cash health insurance and labour market contribution exemption

Contrary to the rules of Tbj.

- for the natural person employed in work relationship by an employer,
- for the private entrepreneur
- for the business partnership according to Tbj.

belonging to an exposed industry no pension insurance, cash health insurance and labour market contribution shall be paid, but only 4% of fringe health insurance contribution, maximum 7 710 HUF, shall be paid for March, April, May and June 2020.

The contribution exemption does not refer to the eligibility of the insured for social security and labour market services and their amounts. This period constitutes a period of employment, and the salary, income shall be taken into consideration for the assessment of the amount of retirement pension.

Vocational training levy exemption

The vocational training levy shall not be paid by the business, obliged to pay it, of the exposed industry for March, April, May and June 2020.

Rehabilitation contribution relief

For the business obliged to pay rehabilitation contribution operating in the exposed industries according to Section 23. (5) of the Act Rehab^[4] the rate is two third of the yearly amount of the rehabilitation contribution (1 449 000 HUF), i.e. the business is obliged to pay 966 000 HUF per person and no prepayment of rehabilitation contribution shall be paid.

Facilities for the businesses under small business tax (kiva)

The taxpayer under small business taxation according to Katv.^[5] belonging to exposed industry performing the activity as principal activity shall not take into consideration the amount of the personal payments relating to this activity in the assessment of small business tax obligations for March, April, May and June 2020, so it shall not constitute the part of small business tax base.

Facilities for the businesses under the Fixed-Rate Tax of Low Tax-Bracket (kata)

The businesses belonging under the Act on Katv. as of February 2020, performing exempt activities shall not pay the fixed-rate tax of low tax-bracket for March, April, May and June. This exemption will not affect the eligibility for social security services and their amounts.

Exempt activities are:

- taxi services (under TEÁOR and TESZOR 4932),
- hair dressing and other beauty treatment (under TEÁOR and TESZOR 9602),
- painting and glazing (under TEÁOR and TESZOR 4334),
- other human health services (under TEÁOR and TESZOR 8690),
- electrical installation works (under TEÁOR and TESZOR 4321),
- physical well-being services (under TEÁOR and TESZOR 9604),
- artistic interpretation (under TEÁOR and TESZOR 9001),
- plumbing, heat and air-conditioning installation works (under TEÁOR and TESZOR 4322),
- specialist medical practice services (under TEÁOR and TESZOR 8622),
- joinery installation works (under TEÁOR and TESZOR 4332),
- sports and recreation education services (under TEÁOR and TESZOR 8551),
- roofing activities (under TEÁOR and TESZOR 4391),
- general medical practice services (under TEÁOR and TESZOR 8621),

- floor and wall covering works (under TEÁOR and TESZOR 4333),
- dental practice services (under TEÁOR and TESZOR 8623),
- other performing arts support services (under TEÁOR and TESZOR 9002),
- other sporting activities (under TEÁOR and TESZOR 9319),
- hospital activities (under TEÁOR and TESZOR 8610),
- convention and trade show organization services (under TEÁOR and TESZOR 8230),
- holiday and other short stay accommodation services (UNDER TEÁOR and TESZOR 5520),
- services of fitness facilities (UNDER TEÁOR and TESZOR 9313),
- other food service activities (under TEÁOR and TESZOR 5629),
- other accommodation (under TEÁOR and TESZOR 5590),
- gambling and betting (under TEÁOR and TESZOR 9200),
- social work services without accommodation for the elderly and disabled (under TEÁOR and TESZOR 8810)
- hotels and similar accommodation services (under TEÁOR and TESZOR 5510)

The businesses under the Fixed-Rate Tax of Low Tax-Bracket may pay their debts that have become due before 1 March 2020 under Katv. in 10 equal instalments from the month after the quarter when the state emergency was lifted by 12 day of the actual month. The National Tax and Customs Administration will not impose interest on the tax debt for the period between 1 March 2020 and the month after the quarter when the state of emergency was lifted and the time of instalments. If the taxpayer does not fulfil the payment of the due instalment, then it will be ineligible for this relief and the debt shall be due to be paid in one amount. In this case the NTA will charge default penalties for the rest of the debt from 1 March 2020 – over the default penalty charged until 1 March 2020.

Relief for the taxpayers obliged to pay tourism development contribution

The taxpayers obliged to pay tourism development contribution that shall declare the tourism development contribution shall assess, declare and pay it:

- for the period between 1 January 2020 and 29 February 2020 quarterly, in their declaration to be submitted by 20 April 2020
- for the period between 1 January and 29 February 2020 and for the period between 1 July and 31 December 2020 that shall declare yearly, in their declaration to be submitted by 25 February 2021.

^[1] Based on the Government Decree 61/2020 (23 March) on detailed rules concerning public dues of Government Decree 47/2020 (18 March) on immediate measures necessary for alleviating the effects of the coronavirus pandemic on national economy, and on certain new measures

^[2] Section 4 (d) of the Act LXXX of 1997 on the Eligibility for Social Security Benefits and Private Pensions and the Funding for These Services

[3]. Act LXXX of 1997 on the Eligibility for Social Security Benefits and Private Pensions and the Funding for These Services

[4] Act CXCI of 2011 on the services provided for disadvantaged person and modification of other acts

[5] Act CXLVII of 2012 on the Fixed-Rate Tax of Low Tax-Bracket Enterprises and on Small Business Tax