

NEW TAX RELIEFS FOR HUNGARIAN COMPANIES

On 21 April 2020 the Hungarian Government introduced several tax reliefs for corporations. The most important provisions the latest decree (140/2020 (IV.21)) are:

- The deadline for publication of annual financial statements is postponed until 30 September 2020. This applies if the company should have filed its financial statement following 21 April 2020. The relief does not apply to companies of public interest (e.g. companies listed on stock markets) which are still required to file their statements until the original deadline.
- The deadline for submitting the tax returns and payment of certain annual taxes (corporate income tax, local business tax, small enterprises' tax, energy providers' surtax and innovation contribution) is postponed to 30 September 2020.
- Companies can request a 6-month payment deferral or a 12-month instalment payment arrangement for taxes not exceeding HUF 5 million (approx. €14,300). The request should be made by the 30th day from the declaring of the end of the coronavirus crisis. For this tax payment relief to be granted, the taxpayer company should certify or present it as probable that the payment difficulty arose from the coronavirus situation.
- Companies may decide that instead of payment deferral or instalment payment, they request a tax payment reduction. The amount of the reductions is limited to the lesser/greater of 20% of the outstanding tax debt and HUF 5 million. Such request can be submitted for only one tax.
- The rate of social security tax will be decreased from 17.5% to 15.5% from/until 1 July 2020.
- The limit of SZÉP CARD voucher is increased to HUF 800,000 from which HUF 400,000 can be transferred to an accommodation sub-account, HUF 265,000 to hospitality and HUF 135,000 to leisure. No social security tax shall be payable on the amounts. This exemption can be applied until 30 June 2020.

These measures can be beneficial for companies which struggle with cash flow problems or overwhelmed by administrative tasks due to the COVID crisis.

WHO TO CONTACT

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