

Frequently asked questions on the taxation measures in COVID pandemic

(Government Decree 61/2020. (III.23.)¹)

Topics of the most frequently asked questions:

I. COMPLIANCE OF TAX OBLIGATIONS

II. PAYMENT FACILITIES

III. ENFORCEMENT

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I. COMPLIANCE OF TAX OBLIGATIONS

1. What to do when the economic operator cannot pay the obligations due to COVID-19 epidemic by the deadline?

Taking into consideration the state of danger declared due to the spread of COVID-19 if the taxpayers cannot comply with the payment obligations due to the economic consequences of the epidemic or the state of danger – through no fault on their own – may lodge a request for payment facilities (payment deferral, payment in instalments, tax reduction or tax waiver to NTCA.

For the taxpayers (natural persons or economic organizations) referring to their difficulties caused by coronavirus-epidemic in their request for payment facilities, these circumstances shall be taken into consideration with more emphasis within the existing legal framework. The taxpayers obliged to keep contact by electronic means shall submit the request only electronically, the taxpayers not obliged to do so may submit it electronically or in paper form. The request in paper form may be lodged in the form prepared by the NTCA. The forms are available on the homepage of the NTCA (www.nav.gov.hu) in the menu „Letöltések" → „Adatlapok, igazolások, meghatalmazás-minták" → „Adatlapok fizetési könnyítésre és/vagy mérséklésre irányuló kérelmek elbírálásához".

¹ 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

The taxpayer must have access to KÜNY (Ügyfélkapu – Client gate for natural persons) or Cégkapu (Company gate for entities). The request FAM01 for private persons in electronic form is available on www.nav.gov.hu, choose „Letöltések” → „Nyomtatványkitöltő programok”. The conditions and was of application for payment facilities you can find more detailed information in the section “Assistance in the extraordinary situation (COVID-19)” of the homepage of the NTCA.

2. If the businesses cannot fulfill their obligations regarding the submission of the declaration, payments by the deadline, will they be taken out from the list of the taxpayers with new public debts (KOMA) or the list of reliable taxpayers?

The taxpayer can be included in the list of the taxpayers with no public debts if they have – among other – no net tax debts in the registries of the NTCA or public debt on the last day of the month prior the publication, and it in full extent performed their due obligations regarding the submission of the declaration and payment. If the NTCA establishes for the taxpayer listed in KOMA that it does not meet any of the determined conditions any longer, the NTCA will remove the taxpayer from the list.

The taxpayer’s classification takes place quarterly. One of the conditions to classify the taxpayer reliable is that the taxpayer included in the company register or registered for VAT does not have more than 500 thousand HUF net tax debt. If the debt exceeds 500 thousand HUF at the end of the quarter, the taxpayer will be deprived of the status of reliable taxpayer.

If the debt is settled by the taxpayer by the determined deadline or the decision on the payment in instalments or deferral payment approved and finalised by the NTCA is received by the taxpayer by this date, then the taxpayer – taking into consideration that other conditions are furthermore maintained – can be listed in KOMA, and can be considered a reliable taxpayer..

More information on the conditions of application for payment in instalments and deferral payment is available: <https://nav.gov.hu/data/cms519058/tajekoztatofikogazdalkodo.pdf>.

The reliable taxpayer may request 12-month penalty-free payment facility if the net tax debt at the time of the consideration of the application does not exceed 1,5 million HUF. The payment facility can be requested using the form FAG01. The NTCA depending on the possibility provided by the law takes into consideration the economic difficulties – as reason for payment difficulty – caused by coronavirus.

As the taxpayers got into such a situation through no fault of their own that their solvency can be recovered on a longer term, it may be necessary to allow a longer time payment facility if the other conditions of it are met.

3. If the bookkeeper of the entrepreneur is not available, e.g. because he/she is confirmed to be infected by coronavirus, and the documents necessary for the tax declaration is kept by him/her, can a restitutio in integrum be lodged?

In this case the entrepreneur can lodge a restitutio in integrum.

In the case of the delay with the declaration the restitutio in integrum can be lodged together with the declaration within 15 days after the obstacles are lifted.

4. Shall the taxpayer report to the NTCA that he/she closed this shop due to coronavirus epidemic?

The taxpayer does not have to report it. But if the taxpayer will not use his/her online cash register for more than 30 days, it shall be reported on the form PTGTAXUZ.

5. How shall the taxpayer act if he/she gets into lockdown, how to perform the tax obligations?

The private entrepreneur taxpayers under the act on personal income tax can fulfil their obligation by submitting of the – supplemented – provisional declaration proposal prepared by the NTCA for 2019 tax year or independently prepared 19SZJA declaration by 20 May 2020.

The provisional declaration proposal is available on the homepage of the NTCA (www.nav.gov.hu/nav/szja/szja) as of 15 March 2020. After the log-in the details, on 'Szerkesztés' (Edit) menu the details of the income received from private entrepreneur activity and any other incomes shall be given that are missing from the proposal, and then the declaration can be sent in.

The private entrepreneur can fulfil their declaration obligation as self-employed by submitting the 19SZJA form. If the private entrepreneur – due to any reason – cannot submit the declaration, then it can also be lodged by their representative (proxy or legal representative). The person may act as a representative if he/she was reported on the form EGYKE and he/she is also entitled to submit the personal income tax declaration. The representation can be reported in the easiest way on eBEV portal by the private entrepreneur or the proxy (if both of them possess with KÜNY store).

If you fail to submit the declaration by the deadline, you may lodge a restitutio in integrum together with the declaration in 15 days after you got informed about it or the obstacle is removed.

II. PAYMENT FACILITIES

1. How to apply for payment facilities? If there any special rule, procedure, form of justification in place if the payment difficulty occurred due to coronavirus epidemic?

The legal entities and other organizations obliged to keep contact by electronic means and private entrepreneurs may lodge an application for payment facilities on FAG01 and FAM01 respectively that can be downloaded from the link:

https://nav.gov.hu/nav/letoltések/nyomtatvanykitolto_programok

The taxpayers not obliged to keep contact by electronic means also have the possibility to submit their application electronically, through Ügyfélkapu ('Client Gate) or to send it in paper form by post or to fill in the form available in the menu Adatlapok fizetési könnyítésre és/vagy mérséklésre irányuló kérelmek elbírálásához ('Forms for requesting payment facilities and/or reduction') of the homepage of the NTCA at the below link:

https://nav.gov.hu/nav/letoltések_egyeb/adatlap

The request in paper form shall be addressed to the competent tax and customs directorate of the NTCA of the place of living, residency and seat, establishment.

The fact that the payment difficulty is due to epidemic situation is proved by the date of occurring of the debt on the one hand, and the comparison of the income and financial situation of the natural person applicant and the economic data of the organization performing economic activity on the other hand before and after the declaration of the state of danger.

2. If the business partnership becomes completely insolvent during the epidemic, will it be eligible for any benefit, can it lodge a leniency application?

The penalty or surcharge debt can be reduced on the request of the private entrepreneur, legal entity or other organization if paying the penalty or surcharge would make impossible to carry out the economic activity. So the reduction can be allowed if the rational circumstances of the operation can be recovered by it. Although there is no possibility to reduce the capital or tax debt, moreover there is no place to a reduction if the economic activity became completely impossible..

If the entrepreneurship is experiencing temporary difficulties with paying, then it has the possibility of requesting a payment deferral or even to fulfil the obligation of payment in instalments after the deferral.

If the business is experiencing temporary financial difficulties, and has debts towards other creditors but considering its economic situation there is a real chance that its operation recovers over the time and will be able to work later, requesting bankruptcy protection may be justifiable. The aim of the bankruptcy protection is to avoid the insolvency and maintain the further operation upon the agreement with the creditors. Submitting the request for the imposition of bankruptcy proceeding the company will have the legal right for temporary moratorium, i.e. payment deferral, and no enforcement can be initiated against it. It is important to note that the payment deferral does not exempt the company to fulfil certain payment obligations. For the NTCA, labour taxes and contribution, and VAT, excise tax and product charges belong here. For the debts not involved by payment deferral, enforced by the NTCA a claim for the suspension of enforcement proceeding may be submitted.

3. How to apply for payment facilities, and is it possible to apply for the remission of 10 thousand HUF procedural duty if its payment burdens the entrepreneurship?

The legal entities and other organizations obliged to keep contact by electronic means and private entrepreneurs may lodge an application for payment facilities on FAG01 and FAM01 respectively that can be downloaded from the link:

https://nav.gov.hu/nav/letoltesek/nyomtatvanykitolto_programok

The first instance procedure performed based on the request for payment deferral filed by the private entrepreneur and private individual taxpayer is duty exempt.

The procedural duty of the application of economic organizations for the payment facilities, tax reduction is 10 thousand HUF. Pursuant to existing legal rules in force expense exemption – so also duty exemption – can only be granted for natural persons.

4. Can the private persons receive exemption for social security contribution or personal income tax or can they pay their obligations in instalments due to epidemic?

The NTCA can reduce such obligations or can allow not to pay them on the request of the taxpayer if it jeopardizes the subsistence of the private person or the ones living together with him/her in one household. The condition of allowing the payment in instalments is to prove the payment difficulty and the probability of paying the instalments. When making the decision the NTCA checks the income, financial circumstances of the taxpayer and the ones living together with him in one household.

The taxpayer may request an automatic payment in not more than 12 month equal instalments for the tax debt less than 500 thousand HUF once a year for that the NTCA will not check the income, financial circumstances.

Moreover, the taxpayer may simply note in the PIT declaration that the PIT tax and social contribution tax not exceeding 200 thousand HUF will be paid in instalments. In this case 6 month instalments can be granted from which the first instalments shall be paid by the deadline of the tax declaration, i.e. 20 May.

5. Can the private persons expect that their debts for the mentioned above public duties the state will waive, or can they request for reduction, waiver?

There is no possibility to automatic waiver of the public duties, exemption of not-payment. The NTCA may allow to reduce the tax debt, exempt on the request of the taxpayer if it is proved that by paying it the subsistence of the taxpayer and the ones living with him/her in one household would be jeopardized. During the consideration the NTCA will check the income, financial circumstances of the taxpayer and the ones living with him/her in one household.

6. The taxpayer cannot fulfil any longer the ongoing payment in instalments due to the epidemic situation. Does the moratorium declared by the Government refer to the taxpayer, or can the taxpayer apply for more facilities?

The moratorium declared by the Government does not refer to the payment facilities for tax and public debts. But the NTCA takes into consideration if the taxpayers being in difficult situation due to epidemic may not continue paying in instalments that are ongoing and otherwise were paid until the declaration of state of danger. In this case a new request for payment facility may be submitted to the NTCA. Based on the request the taxpayer may apply for Kérelme penalty-free payment deferral for its existing arrears, and also may apply for

payment of the debt in instalments following the deferral. The legal entities and other organizations obliged to keep contact by electronic means and private entrepreneurs may lodge an application for payment facilities on FAG01 and FAM01 respectively that can be downloaded from the link:

https://nav.gov.hu/nav/letoltések/nyomtatványkitöltő_programok

The taxpayers not obliged to keep contact by electronic means also have the possibility to submit their application electronically, through Ügyfélkapu ('Client Gate) or to send it in paper form by post or to fill in the form available in the menu Adatlapok fizetési könnyítésre és/vagy mérséklésre irányuló kérelmek elbírálásához ('Forms for requesting payment facilities and/or reduction') of the homepage of the NTCA at the below link:

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The request in paper form shall be addressed to the competent tax and customs directorate of the NTCA of the place of living, residency and seat, establishment.

III. ENFORCEMENT

1. If the NTCA sent a notification to the taxpayer on the enforcement of social security tax ('szócho') or the detailed tax debt on 18 February (i.e. bills of collection) then is the enforcement suspended pursuant to this Decree?

The Government Decree 57/2020 (23 March) refers to the stay of enforcement procedures. Pursuant to point (1) of the Section 9 of this decree from the day (24 March) of the entry into force of this Decree until the 15th day following the end of the period of state of danger, enforcement procedures pending before the tax authority in accordance with Act CLIII of 2017 on enforcement procedures applied by the tax authority (hereinafter "Avt.") shall be stayed, with the exception of procedures conducted under subtitles 57 and 57/B of the Avt. and procedures for the enforcement of claims arising from violating mandatory epidemiological measures prescribed during the period of state of danger.

Moreover pursuant the point (2) of the Section of the Decree n cases stayed under paragraph (1), the NTCA shall proceed in accordance with section 16 (2) and (3) of the Avt.

The point (2) of the Section 16 of the Avt. regulates how the suspension of the of the enforcement proceedings affects on the official transfer order. Pursuant to this point if the payment service provider managing the current account did not perform the official transfer order of the tax authority before the beginning day of suspension of the enforcement proceedings, the tax authority shall promptly make the necessary steps to withdraw the official transfer order. If the payment service provider managing the current account performed the official transfer order after the beginning date of the suspension, during the effective period of the suspension, and transferred the amount to the tax authority, the tax authority shall refund it to the judgment debtor within eight days upon becoming aware of such transfer.

Thus, no official transfer order shall take place during the suspension of enforcement proceedings pursuant to Government Decree 57/2020 (23 March).

IV. INTERPRETATION OF THE EXPOSED INDUSTRY, ACTUAL MAIN ACTIVITY

1. What activity belongs to the tourism industry regulated in the Government Decree 47/2020 (18 March) on immediate measures necessary for alleviating the effects of the corona virus pandemic on national economy [hereinafter referred to as Government Decree 47/2020 (18 March)]? There is not an industrial classification named ‘tourism’ in the Statistical Classification of Economic Activities in the European Community (Hungarian acronym: TEÁOR), however, there is ‘99 Travel agency, tour operator activities and other reservation service’, which can be equivalent to the tourism concept but is not enumerated in the Government Decree 61/2020 (23 March).

The Government Decree 61/2020 (23 March) contains implementing rules of the provisions provided by the Government Decree 47/2020 (18 March). Consequently, in the case of carrying out the activity providing accommodation services [TEÁOR and TESZOR 55 (TESZOR – Hungarian Classification of Goods and Services)] mentioned in the Article 1, paragraph 10 of the Government Decree 61/2020 (23 March), the favourable rules can be applied.

2. In the Governmental Decree 47/2020 (18 March), the taxi passenger transport-activity is not enumerated amongst the jeopardized economic industries, however, this activity can already be found in the enumeration provided by the Governmental Decree 61/2020 (23 March). Based on the abovementioned, does the enterprise carrying out primarily taxi passenger transport-activity, which does not fall under the scope of the fixed-rate tax of small-scale taxpayer enterprises (KATA), qualify as an economic operator belonging to the jeopardized economic industry? May this enterprise apply the favourable rules provided for in the Article 1, paragraph (1) to (7) of the Governmental Decree 61/2020 (23 March)?

Article 5 of the Governmental Decree 47/2020 (18 March) stipulated favourable rules in the case of enterprises providing passenger transport services, which apply KATA regime. In comparison to that, the Governmental Decree 61/2020 (23 March) including detailed rules introduced further favourable rules as new provisions concerning other enterprises that are not subject to KATA: in the case of paying agents and private entrepreneurs applying other taxation regimes. Pursuant to the Article 1, paragraph (10) of the Governmental Decree 61/2020 (23 March), the enterprise carrying out primarily taxi passenger transport activity, which is not subject to KATA, may also apply tax and contribution payment facilities, namely, for instance, exemption from paying social security contributions, social contribution tax and vocational training contribution as well as rehabilitation contribution allowance.

3. How that provision of the Governmental Decree 61/2020 (23 March) must be interpreted, according to which actual main activity can be regarded, from which the taxpayer obtained the most revenues, or at least 30 % of his total revenues, during the six months preceding the entry into force of this Decree?

Based on that

- **The activity producing the most revenues entitles to the facilitation only if 30% of revenues accrued from this activity, meaning that the two conditions must be fulfilled together; or**
- **Is it enough that the revenue accruing from the exempted activity reaches 30% and it is not necessary to scrutinize the volume of revenues accruing from other activities of the enterprise?**

It is a further question whether or not only one actual main activity can be recognised.

Exemptions pursuant to the Article 1 to 7 of the Governmental Decree 61/2020 (23 March) can be applied in the case if the taxpayer carries out the activity stipulated in the Article 1, paragraph (10) as actual main activity. Such an activity must be regarded as actual main activity, the most revenues of which were obtained by the taxpayer during the six months preceding the entry into force of the Decree, provided if the volume of these revenues reaches 30 % of taxpayer's total revenues. Consequently, an enterprise can only have one actual main activity and that is the business activity, from which the most revenues accrue for the taxpayer. This activity qualifies as the actual main activity according to the Governmental Decree 61/2020 (23 March) if the revenue accruing from it reaches 30% of the total revenue.

Applicability of the exemption can be ascertained in the following way:

- (1) First, revenues from business activities must be summed up,
- (2) It must be ascertained, to which business activity the highest amount of revenues can be linked, and
- (3) If this activity belongs to the scope of beneficiary activities, the ratio of the revenues accruing from this given business activity compared to the total amount of revenues must be calculated,
- (4) If this calculated ratio exceeds 30%, it is possible to apply exemptions.

Summarizing the abovementioned conditions: one enterprise can have one actual main activity and the revenues accruing solely from this activity must reach the ratio specified in the Governmental Decree 61/2020 (23 March) meaning that it is not possible to take revenues from more beneficiary activities into account to reach the ratio of 30 %.

Theoretically, it cannot be excluded that revenues of more activities are possibly represent the same volume and even their ratios compared to the total revenue are equal. Should such a case really happen there is no obstacle to apply exemption rules provided if at least one activity qualifies as beneficiary activity.

4. In the case of classification into an activity belonging to the jeopardized economic industry specified in the Article 1, paragraph (10) of the Governmental Decree 61/2020 (23 March), must the actual main activity be regarded totally independently from the main activity indicated in the NTCA's taxpayer registration data? How can it be verified for NTCA that the most revenues but at least 30 % of revenues of the enterprise accrued from the given activity during the six months preceding the entry into force of the Governmental Decree 61/2020 (23 March)? Must this circumstance be proved even when allowances are claimed or only in the case of a potential audit?

The Article 1, paragraph (10) of the Governmental Decree 61/2020 (23 March) concerns persons carrying out activities enumerated in this paragraph as actual main activity, which is defined in the paragraph (11). Pursuant to this provision, the activity must be regarded as actual main activity, the most revenues of which, but at least 30 % of his total revenues, were obtained by the taxpayer during the six months preceding the entry into force of this Decree. This does not necessarily coincide with the activity that is registered in the NTCA's taxpayer registration as main activity; consequently, the main activity defined in the Governmental Decree is relevant in terms of enforceability of allowances.

Should the taxpayer claims tax allowances provided for in the Article 1, paragraphs (1) to (7) of the Governmental Decree 61/2020 (23 March) in his tax return, the taxpayer shall be able to verify it in the case of a potential tax audit on what basis he claimed the tax allowances. In the course of a potential tax audit, the NTCA may ask for some kind of statement or certification to verify the revenue ratio defined as condition. Pursuant to the Article 77, paragraph (1) of the Act CL of 2017 on the Rules of Taxation (hereinafter referred to as Art.), the accounting documents, ledgers and records shall be made out and maintained in such a manner that they can be used for audit and control of the tax allowance.

Based on all of these, the taxpayer shall, already at the time when the tax allowance is claimed, have a document underpinning the use of tax allowance claimed by him and he shall render it to the NTCA at a possible tax audit.

V. HEALTH SERVICES CONTRIBUTIONS

1. In the case of leave of absence without pay, what kind of benefit can a private individual receive, is s/he is obliged to pay health services contributions, can the employer take over the payment obligation in such a case?

According to the provisions being in effect actually, if the employee claims a leave of absence without pay, his / her insurance relationship discontinues therefore s/he is only entitled to medical care if s/he pays health service contributions. Monthly amount of the health services contributions is HUF 7,710 (its daily amount is HUF 257), which has to be paid already from the first day of the leave of absence without pay.

Other person or entity, that is the employer, may also perform the contribution payment instead of the employee, with his / her consent. A registration with the NTCA is necessary for paying the health services contributions, what can either be done by the service „Eüszolg. járulékfiz-bejelentés” (Reporting Health Service Contributions Payment) that can be filled out via the Online Form Filling Application, or by submitting the Data Sheet No 20T1011. Statement on the take-over of the health services contributions must be made on this Data Sheet, which statement will become valid once the NTCA approved it.

However, according to the announcement of 7th April of the Government, “*entitlement to social security benefits of employers being on a leave of absence without pay will not terminate*”. After the promulgation of the Governmental Decree including this rule, the provisions being in effect actually will change favourably.

2. From which date shall the private entrepreneur discontinuing his /her activity pay health services contributions?

If the full-time private entrepreneur discontinues his / her business activity s/he has to pay the health services contributions from the first day of the discontinuation – provided that s/he is not entitled to health service under other legal title. The private entrepreneur subject to KATA is obliged to pay health services contributions in such a case if s/he reports for the given month to the NTCA not only the discontinuation of his / her private entrepreneur business activity but his / her relief from KATA payment obligation as well.

VI. SOCIAL SECURITY CONTRIBUTION AND SOCIAL CONTRIBUTION TAX EXEMPTION

1. Pursuant to the Article 1, paragraph (2) of the Governmental Decree 61/2020 (23 March), shall employers deduct all contributions from employees' incomes but only the in-kind health insurance contribution of 4 per cent, HUF 7,710 as a maximum, must be paid to the state and the other deducted contributions shall remain at the employer (which must be accounted for as other revenue by the employer); or shall the employer deduct only this amount (4 per cent) and therefore employee's net wage increases?

Pursuant to the Article 18, paragraph (1), point a) of the Act LXXX of 1997 on the Eligibility for Social Security Benefits and Private Pensions and the Funding for These Services (hereinafter referred to as Tbj), insured persons are required to pay health insurance contributions in kind, monetary health insurance contributions and labour market contributions as well as pension contributions. These are the individual contributions, which are borne by insured persons.

Pursuant to the provisions of the Tbj, employers and paying agents are not obliged to pay individual contributions; this obligation is borne by employees.

Pursuant to the Article 50, paragraph (1) of the Tbj, employers shall assess the amount of health insurance and labour market contributions, pension contributions payable on the income paid (disbursed) to the insured person for the current month and comprising part of the contribution base, and shall deduct the contributions which the insured person is liable to pay. The amount of monthly contribution assessed shall be declared and paid to the NTCA each month by the 12th day of the following month in accordance with the relevant provisions of the Art.

The Article 1, paragraph (2) of the Governmental Decree 61/2020 (23 March) includes a preferential rule, according to which contribution payment obligation shall be performed differently from general rules provided for in the Tbj, namely: only the in-kind health insurance contribution of 4 per cent, HUF 7,710 as a maximum, must be paid on the income forming contribution base. Payment and accomplishment of contribution payment is the task of employer meaning that the employer is only obliged to deduct from the private individual and pay 4 per cent or its amount not-exceeding HUF 7,710, respectively. The employer cannot “*set aside*” the remaining amount because the burden of payment would not have laid

on him but on the private individual and the aim of this provision, according to the lawmaker's intention, is to ameliorate the situation of employees.

Furthermore, contributions form always coverage of some social security benefits that is why employers can no way get them. According to the Governmental Decree 61/2020 (23 March), supporting employers happens by waiving social contribution tax.

2. Does claiming allowances according to the Article 1, paragraphs (1) and (2) of the Governmental Decree 61/2020 (23 March) apply to the whole range of employees employed by paying agents operating in the jeopardized business industries or to certain group of employees only?

Exemption from social contribution tax and preferential contribution payment obligation provided for in the Article 1, paragraphs (1) and (2) of the Governmental Decree 61/2020 (23 March) can be applied, according to the Governmental Decree, in the case of natural persons employed in employment relationship. The person employed in employment relationship must be interpreted according to the employment relationship concept used in the two applicable Acts [Article 5, paragraph (1), point a) of the Tbj and the Article 34, point 12 of the Act LII of 2018 on the Social Contribution Tax (hereinafter referred to as Szochó tv.)].

Exemption from social contribution tax and preferential contribution payment obligation provided for in the Article 1, paragraphs (1) and (2) of the Governmental Decree 61/2020 (23 March), can solely be applied to paying agents carrying out TEÁOR numbered activities determined in the Article 1, paragraph (10) of this Decree as well as to persons employed by these paying agents in employment relationship (with no regard to positions of these persons). Such paying agents that are budgetary agents may not apply these provisions.

3. Based on the Governmental Decree 61/2020 (23 March), is the paying agent exempted from the payment of simplified contribution to public revenues (hereinafter referred to as EKHO) as regulated by the Act CXX of 2005 on Simplified Contribution to Public Revenues?

1.6 percent of the EKHO base from the EKHO payable by private individuals shall be regarded as in-kind health insurance contribution. Does the private individual pay only the part qualifying as health insurance contribution from the EKHO base?

Pursuant to the Article 1, paragraph (1) of the Governmental Decree 61/2020 (23 March), the following persons covered by paragraph (10) shall not be liable for the payment of social contribution tax under the Szochó tv.:

- a) A paying agent regarding the employment of a natural person in an employment relationship;
- b) Private entrepreneur, based on his legal status as such; and
- c) A party to a partnership under the Tbj, based on his legal status as such.

Provisions of the Governmental Decree do not cover the EKHO tax regime. However, if the paying agent, which is not a budgetary agent, belongs to the preferential business industry pursuant to the Governmental Decree and employs its employee in an employment relationship, the wage shall have a part taxed according to general rules (up to the minimal wage), which the allowance can be applied to.

4. Shall the contribution allowance provided with regard to the state of danger be claimed before or after the use of family contribution allowance?

Application of preferential contribution payment provided by the Governmental Decree 61/2020 (23 March) precedes claiming the family contribution allowance. Therefore the family contribution allowance may only be used at the expense of the in-kind health insurance contribution (4 per cent, HUF 7,710 / month, as a maximum).

5. Does the ‘allowance’ appear in the tax return ’08 or in other data disclosure?

The allowance must be indicated in the tax return ’08 or in another tax return concerning the given tax type, which must be submitted to the NTCA.

6. Which program can be used to fill the 2008 monthly tax and contribution return out?

If the paying agent does not employ its employees in one of the business industries affected by preferential treatment, it can still use the form-filling program, version 2.0, for submitting the 2008 tax return electronically.

We suggest using the version 3.0 released on 7 April 2020 if you carry out your actual main activity in the jeopardized business industries according to legal rules promulgated with regard to epidemic state of danger.

7. Shall the pension contribution be deducted from the benefits determined in the Article 26, paragraph (1) of the Tbj (for instance, from the childcare benefit – GYED)?

The Governmental Decree 61/2020 (23 March) does not concern the contributions on benefits enumerated in the Article 26, paragraph (1) of the Tbj, that is why the pension contribution is still to be deducted.

8. Based on the Article 1, paragraph (7) of the Governmental Decree 61/2020 (23 March), does the preferential contribution payment regime stipulated in the Article 1, paragraph (2) apply only to taxpayers subject to small business tax regime (KIVA)? If an enterprise subject to KATA employs an employee, is this enterprise obliged to pay contributions?

The preferential regime of paying contributions applies to every such employee who works at such a paying agent, the main activity of which is an activity regulated by the Article 1, paragraph (10) of the Decree. Since in the case of enterprises subject to KATA general rules prevail in relation to tax obligations related to public dues on incomes granted to employees, that is why no employee of an enterprise carrying out an activity regulated in the Article 1, paragraph (10) of the Governmental Decree 61/2020 (23 March) is required to pay other contribution but the in-kind health insurance contribution, HUF 7,710 as a maximum.

9. Is the paying agent also exempted from paying social contribution tax on non-wage benefits and specific defined benefits other than non-wage benefits regulated in the Article 71 and Article 70 of the PIT Act, respectively?

The paying agent is exempted from paying social contribution tax in both cases because the scope of incomes is not restricted in the Governmental Decree 61/2020 (23 March), the Decree provides a general rule for the exemption. Scope of activity (actual main activity) and employment in employment relationship, respectively, are provided as condition, consequently the paying agent is also not obliged to pay social contribution tax on these incomes, either.

10. Is it necessary to pay social contribution tax on the tax base defined in the Article 1, paragraph (5) of the Szocho tv., especially on dividends?

With regard to the fact that, pursuant to the Article 1, paragraph (1), point c) of the Governmental Decree 61/2020 (23 March), a party to a partnership shall not be liable to pay social contribution tax based on his legal status only, therefore paying social contribution tax on dividends is necessary.

11. Based on the Article 4, paragraph (1) of the Governmental Decree 47/2020 (18 March), preferential rules must be applied for the months March, April, May and June 2020 with regard to employees. Is the beneficiary employer defined in the Governmental Decree 61/2020 (23 March) waived from the social contribution tax pursuant to the Article 1, paragraph (1) in the case if he terminated the employee's employment relationship before the day when the Governmental Decree 61/2020 (23 March) entered into force or after that day, respectively, however already in March? For instance, what will be the situation if the employment relationship terminated on 6 March or on 28 March?

There is not an excluding provision, according to which preferential rules of the Governmental Decree 61/2020 (23 March), which especially concern tax and contribution payments originating for March, could not be applied to incomes paid for March, in the case of employment relationships terminated in March. Based on the aforementioned, allowances and exemptions provided for in this Decree can also be applied in the case of employment relationships terminated before the entry into force of the Governmental Decree 61/2020 (23 March).

12. In the case of apprentices with contract, is the beneficiary paying agent organising the apprenticeship exempted from the social contribution tax?

According to Paragraph (1) and (2) of Section 1 of the Government Decree No. 61/2020 (as of 23 March), the exemption from the social contribution tax and the obligation to pay favourable contributions may be applied to natural persons employed in an employment relationship. The term 'employment relationship' used for the purposes of the two relevant Acts shall be taken into account for the person employed in the employment relationship. Thus, term 'aggregated employment relationship' in Paragraph (1) point a) of Section 5 of Tbj. as well as the term 'employment relationship' laid down in Point 12 of Section 34 of Szocho. shall apply.

The exemption from the social contribution tax and the obligation to pay favourable contributions provided for in Paragraph (1) and (2) of Section 1 of the Government Decree shall be limited to paying agents and persons employed in an employment relationship (irrespective of their duties) carrying out activities with the TEÁOR number specified in Paragraph (10) of Section 1 of the Government Decree and these rules shall not be applied by the paying agent of the budgetary authority.

An apprenticeship does not qualify as an employment relationship under any of the laws, so the benefit or exemption cannot be applied in this case. However, a vocational training contract is already an employment contract covered by Act I of 2012 on the Labour Code, so, if such a legal relationship exists between the parties, the favourable government decree rules can be applied.

13. In the context of employment according to Paragraph (1) of Section 56/A of Tbj, may the foreign employer apply the benefits on contributions and social contribution taxes following the Government Decree no. 61/2020 (as of 23 March)?

According to the definition used in the Government Decree, the exemption and favourable contribution rules contained therein do not apply to foreign employers or foreign paying agents. This is also justified by the difficulties encountered in defining and controlling the main activity identified by the TEÁOR and TESZOR numbers of the foreign paying agent in the absence of any establishment in Hungary.

14. Can a family farmer registered as self-employed make use of the benefit referred to in Paragraph (1) and (2) of Section 1 of the Government Decree No. 61/2020 (as of 23 March)?

The benefit may be granted if the supplementary agricultural activity of the family farmer registered as self-employed satisfies the provisions of Paragraph (11) of Section 1 of the Government Decree on the actual principal activity, i.e.

- (1) one actual main activity from the list of activities specified in Paragraph (10) of Section 1 can be identified;
- (2) which generated most of its revenue during the six months preceding the entry into force of this Decree, and
- (3) this latter means at least 30 per cent of its total revenue.

VII. KATA - Itemized tax on small tax enterprises

1. Companies carrying out the activities listed in Paragraph (8) of Section 1 of Government Decree No. 61/2020 (as of 23 March) shall be exempted from paying the itemized tax for the months of March to June.

A KATA entrepreneur already carried out an exempt activity in February 2020 (hairdresser), but in March it extended its scope of activity to such an activity which was not exempted by the Government Decree (courier) in order to have revenue (i.e. not aimed at tax avoidance). Is it not necessary to pay the itemised tax in this case?

In this case, the activity of the small taxpayer was changed, but since its exempted activity (hairdresser) was already covered in February 2020 by Act CXLVII of 2012 on the specific tax on small enterprises and on the small enterprise tax (hereinafter: (Katv.)), the exemption may be applied subject to the requirement of proper exercise of rights.

2. Is a small tax-paying enterprise which has not paid the specific tax for the month of February 2020 (due on 12 March 2020) exempt from tax pursuant to Paragraph (8) of Section 1 of Government Decree No. 61/2020 (as of 23 March) or the payment of debts shall be made free of surcharge in 10 monthly instalments from the month following the quarter of the end of the emergency?

In accordance with Paragraph 8 of Section 1 of the Government Decree, the small tax-paying enterprise may not be exempted from paying the specific tax for the month of February. However, the application of the provision of Paragraph 9 of Section 1 of the Government Decree may also extend to the tax debt arising from the non-payment of the specific tax for the month of February, as the obligation arose before 1 March.

3. Does the instalment rule in Paragraph (9) of Section 1 of the Government Decree No. 61/2020 (as of 23 March) apply to debts under the Katv. which became due before 1 March 2020 and were paid after 1 March 2020?

The tax debt under the Katv. and the outstanding itemized tax for the month of February 2020, which became due before 1 March 2020, shall be offset by the NTCA on the taxpayer's tax account and shall require the instalments after the emergency period. The debts shall be compensated on the basis of the situation prevailing on 31 March 2020. This means that debts outstanding related to the type of tax No. 288 (i.e. the NTCA revenue account for itemized tax on small tax enterprises) which had not been paid by 31 March 2020 will be affected by instalments. However, items paid after 31 March 2020 are recorded as overpayments in the taxpayer's tax account.

4. Does the exemption rule of Government Decree No. 61/2020 (as of 23 March) on KATA taxpayers apply to all KATA paying enterprises, or only self-employed persons do not have to pay the itemized tax for the months of June to March if they carry out an exempt activity?

The exemption rule laid down in Paragraph (8) of Section 1 of the Government Decree shall apply to all small-taxing enterprises within the meaning of the Katv. if they carry out the activities listed therein and were already subject to the Katv. in respect of the listed activities in the month of February 2020.

5. If the small-taxing enterprise is unable to pay the monthly itemized tax (kata) due to the current situation, will it lose its entitlement to be a KATA taxable person at the end of this year due to a tax debt exceeding HUF 100 thousand?

In principle, a small-taxing company ceases to be a taxable person if its enforceable net tax debt registered with the NTCA on the last day of the calendar year exceeds HUF 100 thousand. The NTCA shall notify the enterprise of the termination of its taxable status by means of a decision. If the KATA taxpayer enterprise pays the tax debt by the time the decision becomes final, the taxable person does not cease to exist, the company may continue to apply the itemized taxation.

In view of the emergency situation due to the corona virus outbreak, for the months of March, April, May and June 2020, the small-taxing enterprise shall not be required to pay the itemized tax if it carries out one of the following exempted activities:

1. taxi passenger transport (TEÁOR and TESZOR 4932),
2. hairdressing and beauty care (TEÁOR and TESZOR 9602),
3. painting and glazing (TEÁOR and TESZOR 4334),
4. other human health services (TEÁOR and TESZOR 8690),
5. electrical installation (TEÁOR and TESZOR 4321),
6. physical well-being services (TEÁOR and TESZOR 9604),
7. performing arts (TEÁOR and TESZOR 9001),
8. water, gas, heating and air conditioning installation work (TEÁOR and TESZOR 4322),
9. outpatient specialist services (TEÁOR and TESZOR 8622),
10. installation of carpentry and carpentry equipment (TEÁOR and TESZOR 4332),
11. Sports and recreation training (TEÁOR and TESZOR 8551),
12. roofing, roofing construction (TEÁOR and TESZOR 4391),
13. general outpatient care (TEÁOR and TESZOR 8621),
14. floor and wall covering (TEÁOR and TESZOR 4333),
15. outpatient dental services (TEÁOR and TESZOR 8623),
16. activities auxiliary to performing arts (TEÁOR and TESZOR 9002),
17. other sporting activities (TEÁOR and TESZOR 9319),
18. inpatient care (TEÁOR and TESZOR 8610),
19. conference, trade show organization (TEÁOR and TESZOR 8230),
20. recreation and other temporary accommodation services (TEÁOR and TESZOR 5520),
21. physical activity services (TEÁOR and TESZOR 9313),
22. other catering services (TEÁOR and TESZOR 5629),
23. other accommodation services (TEÁOR and TESZOR 5590),
24. gambling and betting (TEÁOR and TESZOR 9200),
25. social services for the elderly and disabled without accommodation (TEÁOR and TESZOR 8810) and
26. hotel services (TEÁOR and TESZOR 5510)

The exemption is subject to the condition that the KATA taxpayer enterprise was already subject to the scope of the KATA in respect of this activity in February 2020.

In addition, because of the emergency situation, the small-taxpaying company may pay its tax debt under the Katv., which became due before 1 March 2020, in 10 months equal instalments from the month following the quarter of the end of the emergency, each instalment being paid by the 12th day of the month concerned. The NTCA shall not charge a supplement to the tax debt for the period from 1 March 2020 until the month following the quarter in which the emergency situation ceased.

If the taxpayer fails to pay the instalment due, he shall lose his entitlement to the benefit and shall repay the debt in full with immediate payment due. In this case, the NTCA shall charge an additional penalty for the remainder of the debt as of 1 March 2020, in addition to the penalty for late payment for the period up to 1 March 2020.

6. Shall the rule on payment by instalments laid down in Paragraph 9 of Section 1 of Government Decree No. 61/2020 (as of 23 March) be applicable to all debts under the Katv. registered at the NTCA, which became due before 1 March 2020, or only to taxpayers who qualify as small-taxing enterprises on the date of entry into force of the Government Decree?

According to this provision, the payment in instalments relates to taxpayers who are small-taxing enterprises on the date of entry into force of the Government Decree.

7. The small private entrepreneur ceases his activities due to the emergency situation which has arisen. If it restarts its business this year after the end of the emergency, will it have the opportunity to pay KATA once again?

The KATA may not be re-chosen for the year in which it ceased to be a taxable person and for the following 12 months neither. If the small taxpayer terminates its self-employment in 2020 but restarts it this year, he may re-choose KATA as self-employed as of 1 January 2022 at the earliest, and may make a declaration in December of the tax year following the year of termination (2021) at the earliest.

8. If there are other activities of the small taxpayer that are not covered by the exemption, then how should it proceed?

The small-taxing enterprise, which is considered to be engaged in an activity in a vulnerable sector within the meaning of Paragraph 8 of Section 1 of Government Decree No. 61/2020 (as of 23 March) and, in February 2020, it was already subject to the Katv. regarding this activity, it is exempted from paying the itemized tax for the months March-June 2020, even if it also carries out other activities and generates revenue during those months from these activities.

9. Does the rule of payment by instalments under Paragraph (9) of Section 1 of the Government Decree No. 61/2020 (as of 23 March) also apply to the 40% tax declared in the 19KATA declaration, but not paid by the deadline of 25 February 2020?

The unpaid monthly itemised tax and the unpaid tax of 40% are also considered as tax debts within the meaning of the Katv. and can therefore regulations stipulated by Paragraph (9) of Section 1 of the Government Decree shall apply, namely, the small-taxing enterprise may pay its tax debt under the Katv., which became due before 1 March 2020, in 10 equal monthly instalments from the month following the quarter of the end of the emergency, each instalment be paid by the 12th day of the month concerned.

10. According to the provisions of the Katv., a tax of 40% shall be paid on the income of the KATA taxpayer company, which is higher than the number of months subject to the specific tax liability multiplied by HUF 1 million. Does the exemption for the months of March/June referred to in Paragraph (8) of Section 1 of the Government Decree No. 61/2020 (as of 23 March) mean that these months shall not be taken into account for the calculation of the revenue threshold, i.e. that the annual revenue threshold will be HUF 8 million, or that the months of exemption will not be taken into account in this respect, and that the 40% tax shall be paid after a revenue more than HUF 12 million?

There is no legal provision in the Government Decree that the exemption would lower the annual revenue threshold. The relevant rule of the Government Decree only states that no itemized tax shall be paid for these months and that the status of small taxpayer shall exist and shall not be affected by the exemption from payment. Therefore, the exemption is not a case like the exemption from payment related to a given legal status or circumstances under Paragraph (9) of Section 8 of Katv. Therefore, the exemption under the Government Decree does not lead to a lowering of the revenue threshold, i.e. the annual revenue threshold of HUF 12 million remains for those concerned.

11. If the small-taxpaying enterprise carrying out the exempted activity has been excluded from the scope of Katv. prior to the entry into force of Government Decree No. 61/2020 (as of 23 March), but is still subject to the itemized tax obligation for the month of March 2020, is it exempted from payment of the itemized tax for the month of March (due on 14 April 2020)?

The exemption also applies in this case, as the provisions of Paragraph (8) of Section 1 of the Government Decree also concerns the payment of the specific tax for the month of March 2020, irrespective of the fact that the small taxpayer no longer falls within the scope of the Katv. on the date of entry into force of the Government Decree (24 March 2020).

12. Following Paragraph (8) of Section 1 of the Government Decree No. 61/2020 (as of 23 March), how does the exemption from the tax liability affect the entitlement of the full-time small taxpayer to the labour market benefits and the amount of its benefits, as well as the content of the unemployment benefit certificate issued by the NTCA, given that Paragraph (8) of Section 1 of the Government Decree only provides guidance on social security benefits.

The exemption under Paragraph (8) of Section 1 of the Government Decree shall not affect the entitlement to social security and labour market benefits and the amount of benefits.

In accordance with Paragraph (1) of Section 10 of Katv. the full-time small taxpayer is considered as secured during the period of this status and shall be entitled to all benefits specified in Act IV of 1991 on the promotion of employment and benefits for the unemployed (hereinafter: Flt.).

On the basis of Point c) of Paragraph (1) of Section 9 of Katv., the itemized tax on small-taxing enterprises also triggers personal income tax and contributions. Pursuant to the provisions of the Katv. referred to in Paragraph (8) of Section 1 of the Government Decree, neither the social security nor the labour market benefits and the amount of these benefits shall be affected by the exemption from paying the itemized tax.

Thus, on the basis of Paragraph (1) of Section 36/B of Flt., in the unemployment benefit certificate issued to individual and social entrepreneurs, the NTCA considers that the specific tax relating to the months covered by the exemption has been paid (completed).

VIII. KIVA - small company taxpayers

1. All the employees of a small company taxpayer operating in a sector listed in Government Decree No. 61/2020 (as of 23 March) are equally affected by the facilitations or should a distinction be made according to whether the employee performs his duties within the scope of the employer's main activity or outside it?

The application of the tax and contribution reliefs provided for in Government Decree No. 61/2020 (as of 23 March) is subject to the condition that the taxpayer subject to KIVA carries out an activity belonging to the vulnerable sectors listed therein as its actual main activity. If this condition is met, the enterprise being the KIVA taxable person may apply the provisions of Paragraph (7) of Section 1 to its employees when assessing the base of KIVA. It is therefore not necessary to examine the actual task of the worker according to his job description and whether it coincides with the main activity belonging to the sector at risk.

2. Shall the full personal payment be exempt from KIVA pursuant to Paragraph (7) of Section 1 of Government Decree No. 61/2020 (as of 23 March)?

According to Paragraph (7) of Section 1 of the Government Decree No. 61/2020 (as of 23 March) for the purposes of calculating the tax on small enterprises for the months of March, April, May and June, the amount of personal payments shall not be considered as a small company tax base if the activities referred to in Paragraph (10) are actually carried out as its principal activity. Unless otherwise provided in Government Decree No. 61/2020 (as of 23 March), all personal payments shall be exempt from KIVA.

IX. Personal Income Tax (PIT)

1. Does the taking over of the health service contribution entail tax liability of the individual or the person or entity taking over the payment?

At the time of taking over the health service contribution, neither the obligated individual nor any other individual accepting the obligation (for example, when the parent pays instead of his or her child) nor the employer earn any taxable income, consequently, do not have any obligation to pay a tax.

2. Can an individual with a tax number, who applies a fixed flat-rate tax to pay-host activities but is unable to carry out his activities because all his reservations have been cancelled, terminate his activities retroactively? If he ceases his activity in the course of the year, can he pay less itemized tax?

If an individual with a tax number decides to definitively cease his activity as a paying-host, he must notify the NTCA about change within 15 days (form 20T101, sheet A02, Point 14). Cancellations shall not be initiated with retroactive effect for the first day of the year.

If he performs more than one activity and wants to terminate only the paying-host activity, he must choose to delete the activity or enter a new main activity when cancelling the main activity on the form. When the pay-host activity ceases during the year, the full annual flat-rate tax shall be paid.

If an individual chooses not to be taxed according to the rules of flat-rate taxation in 2020, he may notify the NTCA about his intention in his personal income tax return for 2019, until 20 May 2020, in line 108 of that return. In this case, he may already apply the general rules on self-employment in 2020, so if, for example, he does not earn any income from the provision of private accommodation in 2020, he does not have to pay personal income tax in the absence of taxable income.

3. What is the tax impact of the revenue from charitable collection that is being offered to individuals and businesses who have been in distress due to the disease situation?

Personal Income Tax

Donations made by private individuals to private individuals for charitable purposes shall be exempt from personal income tax and shall not be subject to contributions or social contribution taxes. The only condition for the tax exemption is that the aid must not be intended to provide any form of remuneration to the aid provider. Benefits provided by an enterprise to a private individual in the form of a public transaction for charitable purposes, as well as grants in money not exceeding 50 per cent of the minimum wage per month, shall also be exempt from personal income tax.

However, if the subsidy is paid to a self-employed person, those tax exemptions shall not apply. The individual entrepreneur shall account for the subsidy received as income and shall not thereby reduce his taxable amount.

Corporate Income Tax

Enterprises subject to corporate tax account for the amount of charitable aid as income. Since, under the provisions in force, the tax base of the subsidies received cannot be reduced, they constitute the corporate tax base.

From the point of view of the corporate taxpayer providing the subsidy, a benefit free of charge is considered to be a donation if it is provided for a public benefit purpose organization, a church or in the frameworks of a commitment in the public interest, provided that no financial advantage can be established in connection with the donation. A grant constituting a donation shall be a recognized when assessing the basis of the corporate income tax. It is also possible to reduce the tax base if the donor holds a donation certificate issued by the non-profit organization. A grant that is not a donation shall be regarded as an eligible expense only if the grantor has a declaration from the grantee that without the grant, he would not be loss-making in the tax year of the grant without the grant, and that he has paid the corporate income tax on the benefit.

4. Is the deadline for the filing and payment of personal income tax expected to be extended?

No. The statutory time limit for the filing and payment of personal income tax shall be 20 May 2020. However, it is worth constantly monitoring the NTCA website for the latest information.

The NTCA has prepared a draft tax return for individuals in this year as well. If you have electronic access (via the "Ügyfélkapu" governmental online administration portal), you can access your draft tax return electronically via the Central Identification Agent (KAŰ) on the NTCA website (www.nav.gov.hu/nav/szja/szja) from 15 March. If you agree with the draft tax return, you will not take any further action, as of 20 May 2020, your draft will become a valid tax return.

If you do not have electronic access, you can ask NTCA to send your draft tax return on paper for one month longer this year due to the emergency situation, i.e. until 15 April 2020. The NTCA shall send the drafts by letter with acknowledgment of receipt, which you will not have to sign or return.

If you are unable to submit your tax return within the time limit due to any impediment, you will have to submit the tax return within 15 days of the cessation of the impediment. The tax return shall be accompanied by a request for proof showing the reason for the delay. An exception to this is an individual whose draft tax return became a valid return on 20 May 2020. In this case, after the disablement has ceased, the declaration may, if necessary, be modified by self-assessment. An application form to excuse late fulfilment of obligations can be found on our website under "Letöltések - egyéb / Adatlapok, igazolások, meghatalmazásminták" or by clicking on the following link:

https://nav.gov.hu/nav/letoltesek_egyeb/adatlap/Egyes_adokotelezettse20180301.html

If you do not carry out business activities and are not liable to pay VAT, you may declare in your tax return that you intend to pay your personal income tax and social contribution tax not exceeding HUF 200 thousand for a maximum period of six months, free of any surcharges, in equal instalments. The time-limit for making the declaration (20 May 2020) is time-barred, so it is not possible to submit request for proof in this respect. If you make your return using the

draft tax return, you can also declare about it online. It is important to note that the NTCA does not send notification about the authorization of the payment advantage separately. You will only be notified if you do not meet the conditions for payment in instalments free of surcharges. The time limit for the payment of the first instalment shall be that for the payment of personal income tax, i.e. 20 May 2020.

In addition to the automatic payment allowance that may be indicated on the return, the NTCA shall, at the request of a natural person, including a natural person engaged in business activities and subject to the payment of VAT, authorize once a year an automatic payment of instalments for maximum 12 months free of surcharges related to tax debts not exceeding HUF 500 thousand.

If you do not meet the conditions for payment in instalments, but are unable to pay your debt in full or within the prescribed time limit, you may, in a separate request, apply to the NTCA for payment in instalment or deferral in accordance with the general rules. For further information on payment benefits, please refer to the information booklet No. 30 available on the NTCA website under 'Information brochures' („Információs füzetek”).

X. INVOICING

1. How does the event organizer act correctly when redeeming tickets for events cancelled due to the corona virus epidemic? Does he need to issue any certificate when refunding the ticket?

If the ticket has been purchased in person, the return of the ticket to the seller shall be necessary for the refund of the ticket price. Where the ticket issued by the event organizer for accessing the event functions as a receipt as well, it shall be treated by the event organizer as a strict accounting form and shall be documented in its internal records. When the event organizer redeems the ticket, he shall, in addition to the return and registration of the ticket serving as a receipt, ensure the reimbursement of the price.

In order to obtain reimbursement of the price of the ticket purchased online, the return of the ticket received electronically shall not be required, and the return of the price shall be automatic. Again, the event organizer shall document reimbursements in its own internal register.

The event organizer shall, irrespective of the manner in which the purchase price is paid, shall not be required to issue or hand over any other certificate it to the person acquiring the ticket, unless the event organizer's cash management rules provide otherwise.

2. Should the taxpayer closing its business due to the corona virus notify the NTCA about the closure?

It does not need to be reported to the NTCA if the taxpayer closes its business. However, the suspension of the use of the online cash register operating in the shop for more than 30 days has to be reported using the PTGTAXUZ form.