



**EUROPEAN COMMISSION**  
DIRECTORATE-GENERAL  
TAXATION AND CUSTOMS UNION  
TAX POLICY  
**VAT and other turnover taxes**

Brussels,  
TAXUD/C/3/

**VAT in the European Community**

**APPLICATION IN THE MEMBER STATES,  
FACTS FOR USE BY  
ADMINISTRATIONS/TRADERS  
INFORMATION NETWORKS ETC....**

**Note**

**This document collates a range of basic information on the application of VAT arrangements in the Member States which has been obtained from the tax authorities concerned.**

**The sole purpose of distributing details of national provisions is to create a work-tool. In no way does this document necessarily reflect the views of the Commission of the European Communities. Nor does it signify approval of the relevant legislation.**

# HUNGARY

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## General information

### 1. WHERE CAN FOREIGN TRADERS OBTAIN INFORMATION ABOUT YOUR VAT SYSTEM?

Foreign traders can obtain information on the Hungarian VAT system from:

Hungarian Tax and Financial Control Administration (General Department)

Postal address: H-1390 Budapest, Pf. 156.

Phone: +36-1-412-7302

Fax: +36-1-412-7258

#### Central Liaison Office:

Postal address: H-1325 Budapest

Újpest 1.

Pf. 21.

Fax number: +36-1/399-6041

E-mail: [clo@apeh.hu](mailto:clo@apeh.hu)

Information on the Hungarian VAT system can be also consulted on the website of the Hungarian Tax and Financial Control Administration (<http://www.apeh.hu>).

### 2. WHAT IS THE HUNGARIAN TAX AUTHORITIES' WEBSITE ADDRESS? WHAT TYPE OF INFORMATION ON VAT CAN BE CONSULTED ON THIS SITE (GENERAL INFORMATION, LEGISLATION, CONTACT POINTS, FORMS, ETC.) IN WHAT LANGUAGE(S)?

The Hungarian tax authorities' website is: <http://www.apeh.hu>

Information is available in English on:

- General information and statistics on the operations of Hungarian Tax and Financial Control Administration
- Informative guide for foreign organisations and private persons
- Legislation (rules of taxation, value added tax)
- Information on VAT refund (legislation, application form)
- List of customer services

The Ministry of Justice' website is: <http://www.im.hu>

- Information is available in English on community legislation.

**3. WHERE CAN VAT LEGISLATION AND IMPLEMENTING RULES BE FOUND? IN WHAT LANGUAGE(S) ARE THEY AVAILABLE?**

VAT legislation is available on the website <http://www.apeh.hu> in English.

**VAT REGISTRATION OF FOREIGN TRADERS**

**4. WHEN IS VAT REGISTRATION COMPULSORY?**

All foreign traders must be identified for VAT purposes in Hungary if they effect in Hungary transactions. They are liable for VAT in Hungary and they have the right to deduct VAT.

In case of intra-Community distance selling under article 28b(B)(2) of Directive 91/388/EEC for taxable persons, who are established in another Member State an identification number have to be assigned when the annual net amount of sales exceeds the annual threshold of €35.000.

**5. WHEN DO TRADERS NOT HAVE TO REGISTER FOR VAT PURPOSES BECAUSE THE RECIPIENT OF THE GOODS OR SERVICES IS LIABLE TO VAT? CAN FOREIGN TRADERS VOLUNTARILY REGISTER IN SUCH CIRCUMSTANCES?**

As a general rule, foreign traders who are not established in Hungary and only effect transactions on which VAT is payable by the other contracting party in accordance with Hungarian law should not register for VAT.

In case of intra-Community distance selling an identification number may be assigned on application by foreign traders, who are established in another Member State when the annual net amount of sales exceed doesn't exceed the annual threshold of €35.000.

**6. WHERE MUST TRADERS APPLY TO REGISTER FOR VAT? (PLEASE INDICATE THE DEPARTEMENT, ADDRESS, TELEPHONE AND FAX NUMBERS AND E-MAIL ADDRESS)**

If foreign traders intend to register in Hungary without creating a permanent establishment in Hungary, they should turn to the General Department of the North-Budapest Directorate of the Hungarian Tax and Financial Control Administration.

General Department

Postal address: H-1390 Budapest, Pf. 156.

Phone: +36-1-412-7302

Fax: +36-1-412-7258

If foreign traders intend to register in Hungary with creating a permanent establishment in Hungary, they should turn to the competent directorate of Hungarian Tax and

Financial Control Administration according to the location of the establishment. Foreign traders can find a map and the list of customer services on the website <http://www.apeh.hu> .

**7. PLEASE DESCRIBE IN DETAIL THE PROCEDURE TO BE FOLLOWED (INDICATING THE DOCUMENTS TO BE SUBMITTED) FOR THE ISSUING OF VAT NUMBERS TO FOREIGN TRADERS.**

If foreign traders intend to register in Hungary without creating a permanent establishment in Hungary, they should turn – personally or by a representative – to the General Department of the North-Budapest Directorate of the Hungarian Tax and Financial Control Administration.

They can ask for Hungarian tax number and community VAT number at the same time by filling in the form N° 04201 (Traders can download this form on the website <http://www.apeh.hu> by the help of abev4telep.exe.)

The foreign enterprise is entitled to carry on trading in Hungary via its branch office registered in Hungary; however, no branch office is required to be set up to carry on business in the following areas:

- a) training within high-level educational institutions;
- b) performing arts;
- c) provision of expertise (except book-auditing, accountancy, record-keeping and legal services);
- d) professional sport activity;
- e) construction, assembly, installation and work management activity performed to fulfil jobs set out in foreign-trade contracts;
- f) activities limited to service provision or to inland marketing of products procured by the foreigner and stored inland, provided such a job is carried on without personal presence and using the trade card issued abroad by the trader;
- g) utilisation of real estate or natural resources for compensation; sale or non cash capital contribution of real estate or natural resource's rights for compensation;
- h) other, business-like economic activities that are allowed by law to be carried on without business installation in Hungary.

The claimant may relay on the services by a person who own representation rights (lawyers' office, legal advisor, tax expert or advisor), but it is not compulsory. In case of representative on original power of attorney must be submitted.

The application form must be accompanied by:

- certificate of registration issued by the relevant authorities of the country in which the foreign trader is established;
- specimen of signature (when there is not a representative)

It is possible to commission a financial representative too. In this case the form must be accompanied by a statement attesting the fact of representation.

If foreign traders intend to register in Hungary with creating a permanent establishment in Hungary, they should turn to the competent directorate of Hungarian Tax and Financial Control Administration according to the location of the establishment. Foreign traders can find a map and the list of customer services on the website <http://www.afeh.hu> .

## THRESHOLDS

### **8. WHAT IS THE THRESHOLD FOR INTRA-COMMUNITY DISTANCE SELLING UNDER ARTICLE 28B(B)(2) OF DIRECTIVE 77/388/EEC?**

The threshold is € 35.000 (excluding VAT).

### **9. WHAT THRESHOLD HAS BEEN ADOPTED UNDER ARTICLE 28A(1) OF DIRECTIVE 77/388/EEC (ACQUISITIONS BY PERSONS QUALIFYING FOR DEROGATIONS)?**

The threshold is € 10.000 (excluding VAT).

## **APPOINTMENT OF TAX REPRESENTATIVES BY FOREIGN TRADERS NOT ESTABLISHED IN THE EU**

### **10. WHEN DOES A TAX REPRESENTATIVE HAVE TO BE APPOINTED?**

Traders who are not established in Hungary or in the European Union must have a fiscal (tax) representative in Hungary accepted before effecting transactions in Hungary other than transactions on which VAT is payable by the other contracting party in accordance with Hungarian law.

The transactions for which a representative in Hungary must be approved are the same as those for which VAT registration in Hungary is compulsory. Taxable persons who are not established in the European Union are required to register for VAT purposes in Hungary and to have a tax representative approved.

Similarly, the circumstances under which taxable persons who are not established in the European Union are not required to have a tax representative approved are the same as those under which they are not required to register for VAT in Hungary. These relate to the occasional nature of transactions or to exemptions.

### **11. WHAT ARE THE RULES GOVERNING THE APPOINTMENT OF A TAX REPRESENTATIVE?**

The tax representative proposed to the authorities must comply with the following conditions:

- (1) it must be a company with legal personality with a minimum registered capital of 50 Million HUF or having bank guarantee for the same amount;

- (2) it must be established and registered in Hungary;
- (3) it must not have any debt to the tax authority;
- (4) it must agree to represent the taxable person in question.

## **12. WHAT ARE THE RIGHTS AND OBLIGATIONS OF TAX REPRESENTATIVES?**

The appointed representative is entitled to deal with full power as the delegated of the taxable person.

The tax representative has the same duties and obligations as those of the represented foreign trader. The acceptance and the termination of its status as the representative of a foreign trader as well as its co-ordinates have to be reported to the competent tax authority within 15 days. The tax authority will register the representative and issue a tax identification number.

The tax representative has to submit the tax reports on behalf of the represented foreign trader. The documents in relation of the represented foreign trader must be kept separately.

Tax representatives are also severally and wholly liable with their principals for payment of VAT, interest or fines relating to transactions carried out in Belgium.

## **13. WHAT MEASURES HAVE TO BE TAKEN WHERE A TRADER ESTABLISHED IN ANOTHER COUNTRY FAILS TO APPOINT A TAX REPRESENTATIVE IN HUNGARY?**

In such a case VAT, interest and any fines can only be recovered from the foreign trader.

## **14. IS A BANK GUARANTEE REQUIRED?**

See answer to question 11. Point (1).

### **Appointment of tax representatives by foreign traders established in the EU**

## **15. CAN A TAX REPRESENTATIVE OR AGENT BE APPOINTED?**

Taxable persons who don't have a principle place of business or a fixed establishment or a branch establishment in Hungary and who have to pay VAT because of selling goods or servicing in Hungary are entitled to appoint a tax representative according to the Act on the Rules of VAT.

Taxable persons who are established outside of the EU must appoint a tax representative if he/she is that one responsible for paying the VAT after the transaction. A taxable person must not appoint a tax representative in case of electronic servicing.

In the same time only one tax representative can be appointed by the taxable person.

In the name and on behalf of a foreign entrepreneurs inland business activity as a tax agent only the inland branch establishment shall be appointed, if it is obliged to establish

a branch establishment or it possess such a place. If the taxpayer has established several branch, in tax matters of their owner they can represent only collective the foreign entrepreneurship. The tax agent shall fulfil the obligations of the taxpayer and shall exercise its respective rights as well.

**16. WHAT ARE THE CONDITIONS GOVERNING THE APPOINTMENT OF A TAX REPRESENTATIVE?**

See answer to question 11.

**17. WHAT ARE THE RIGHTS AND OBLIGATIONS OF A TAX REPRESENTATIVE?**

See answer to question 12.

**18. ARE THERE CIRCUMSTANCES IN WHICH A BANK GUARANTEE IS REQUIRED?**

See answer to question 11. Point (1).

**Invoices**

**19. WHAT ARE THE RULES GOVERNING THE ISSUING OF INVOICES?**

Each taxable person should issue an invoice or a simplified invoice on request, if payment is made in cash or with a non-cash instrument upon receipt of the goods or services.

If the buyer is a taxable person or in case of buying a new vehicle by private person, by an organisation without legal personality or by that acquisitions qualified as IC supplies where the buyer is non taxable legal person and in case of IC trade and distance selling, the seller is required to issue an invoice independently from the buyer's intention.

After a written prearrangement if the buyer is a taxable person or a representative of the seller, they can undertake the obligation to issue an invoice on the suppliers behalf. In this case the issuer and the taxable seller are jointly responsible for the consequences.

The tax base and the amount of tax shall be indicated in detail according to the tax rate charged and in total in all invoices and in documents serving as invoices.

If a taxable person is exempt from the value added tax system, he may not include any tax amount, tax rate or the percentage rate in the invoice, simplified invoice. In such cases the text 'Tax exempt' should be written on the invoice, simplified invoice or document serving as invoice. If the buyer or the user of the service rendered is responsible for paying the tax, this fact should be also referred on the invoice.

Each taxable person should guarantee that the invoice simplified invoice issued by him/herself, or by his/her buyer or by a third person representing him/her, and any invoice and simplified invoice he/she has received should be protected. The authenticity, the safety and the legibility should be kept in the period of preservation.

Invoice means any document based on paper or after prearrangement with the buyer issued in an electronic way suitable for identification for tax administration purposes that contains at least the following:

- a)* invoice number;
- b)* date of issue;
- c)* the name, address and tax identification number of the seller;
- d)* name, address and in case of IC trade and other cases if the buyer is responsible for paying the VAT, the identification number of the buyer
- e)* in case of IC trade, if the buyer is responsible for paying the VAT, the VAT ID-number of the buyer
- f)* date of performance;
- g)* description of the goods (service), its statistical classification number, to the extent required for identification in accordance with the references made in the Hungarian VAT Act
- h)* quantity unit and quantity of the goods or service (if the latter can be expressed in some unit of measurement);
- i)* unit price of the goods or service (if the latter can be expressed in some unit) not including tax;
- j)* price of each goods (service) not including tax, and the total of such prices;
- k)* percentage rate of tax charged;
- l)* amount of tax charged per item and in total;
- m)* the invoice amount;
- n)* type of payment and due date;
- o)* in case of selling new vehicle into an other member state this fact should be referred, like the date of first release, the number of km-s the vehicle has run, or the number of hours the vehicle has run on water, or the number of hours the vehicle has flown
- p)* if the tax representative or the representative for trading with excise goods is responsible for paying the VAT, name, address and identification number of his/her/its;
- q)* in case of paying tax by using the special method of a margin the reference to this fact

Simplified invoice means any document based on paper or after prearrangement with the buyer issued by an electronic way suitable for identification for tax administration purposes that contains the same as the invoice above, besides the following:

- a,* its not necessary to include the date of performance, because it must be the same as that of the issuing

b, price of each goods (service) including tax, and the total of such prices shall be put down;

c, without the type of payment and due date;

d, without the amount of tax charged per item and in total;

e, in simplified invoices, the consideration with tax included shall be indicated as broken down by the tax rates applied, along with the percentage rate of the tax charged which is necessary to clearly determine the amount of tax corresponding to the prices of goods or services. This percentage rate shall be:

a) 20.00 per cent if the tax rate applied is 25 per cent;

b) 13.04 per cent if the tax rate applied is 15 per cent;

c) 4.76 per cent if the tax rate applied is 5 per cent.

If, following the issue of the invoice, simplified invoice the taxable person

a) modifies the amount of the tax charged, and/or the items required for establishing the tax amount, or

b) intends to charge the tax subsequently,

such taxable person shall issue a rectified invoice, simplified invoice, or document serving as invoice.

The rectified invoice, simplified invoice or document serving as invoice shall contain the following:

a) reference to the fact of correction;

b) the details necessary for the identification of the original invoice, simplified invoice or document serving as invoice;

c) the new items as revised.

Taxable persons shall take into consideration the correction during the tax assessment period containing the date of the issue of the rectified invoice, simplified invoice, or document serving as invoice.

**20. ARE THERE EXEMPTIONS FROM THE OBLIGATION TO ISSUE AN INVOICE? IF SO, TO WHICH CATEGORIES OF BUSINESS DO THEY APPLY?**

Taxable persons must issue an invoice or simplified invoice if the purchaser is an other taxable person, or in case of IC trade and in case of distance selling.

For taxpayers who carry out only tax exempted activities it is allowed instead of issuing an invoice to use any other documents qualified as an accounting certificate. In this case the document must fulfil the requirements for certificates laid down in the Act on Accounting. The tax-exempted activities are listed under the Schedule No. 2 to Act on VAT. These are for example:

- (1) Sale, rental and leasing of land parcels (other than land for development and building plots by definition of the Act on the Formation and Protection of the Built Environment)
  - (2) Sale of residential property, not including sale prior to the completion of construction and the first sale following completion;
  - (3) Rental of teaching aids;
  - (4) Student-hostel and dormitory services;
  - (5) Postal services
- and in some other cases.

### **Periodic VAT returns**

#### **21. WHEN DO TRADERS HAVE TO SUBMIT A VAT RETURN?**

The following are required to submit VAR returns:

- (1) taxable persons (any natural or artificial person or unincorporated organisation who (which) may, in its own name, obtain rights, assume obligations, sue, and perform economic activities on its own behalf, regardless of the purpose and results thereof)
- (2) in respect of intra-Community acquisition of new means of transport the following persons:
  - taxable person performing exclusively activity without right to deduct
  - taxable persons pursuing agricultural activities who chose special status and who acquire the new means of transport for the purpose of his agricultural undertaking
  - non taxable legal persons
  - taxable persons with individual tax exemption
  - any other non taxable person (including private persons)
- (3) taxable persons effecting intra-community acquisition

#### **22. AT WHAT INTERVALS ARE VAT RETURNS AND ASSOCIATED PAYMENTS TO BE MADE?**

Tax returns and payments may be made on a monthly, a quarterly or annual basis.

- (1) Taxable persons shall file a tax return and pay the tax **on a monthly basis**, if the annual total amount of tax to be accounted for the year preceding the subject year is positive and is at least 1 million HUF.

- (2) The taxable person shall file a tax return and pay the tax **on an annual basis**, if the annual total amount of tax to be accounted for the year preceding the subject year – whether it is positive or negative – does not exceed 250,000 HUF.
- (3) Any other taxable persons shall file a tax return and pay the tax **on a quarterly basis**.

Tax return must be submitted and the tax must be paid by the 20<sup>th</sup> day of the month following the month or the quarter and in case of annual return by 15<sup>th</sup> February of the following year.

Taxable persons effecting intra-community acquisition cannot file an annual tax return, they are only allowed to submit tax return on a monthly or quarterly basis.

In respect of acquisition of new means of transport tax returns shall be submitted and tax must be paid by the 20<sup>th</sup> day of the month following the month of the rise of tax obligation.

**23. ARE THERE SPECIAL RULES FOR VAT RETURNS FOR SMALL TRADERS AND/OR CERTAIN CATEGORIES OF BUSINESS? IF SO, PLEASE DESCRIBE THEM.**

See point 22.

**24. ARE THERE SIMPLIFIED METHODS OF CALCULATING TAX LIABILITY? IF SO, WHAT ARE THE QUALIFYING CRITERIA, TO WHOM DO THEY APPLY AND WHAT IS THE NATURE OF THIS SIMPLIFICATION?**

There are no simplified methods of calculating tax liability.

**Recapitulative statements**

**25. AT WHAT INTERVALS DO RECAPITULATIVE STATEMENTS HAVE TO BE SUBMITTED?**

Recapitulative statements of intra-community acquisitions and supplies of goods must be submitted quarterly, by the 20<sup>th</sup> day of the month following the quarter.

**26. IS ANY OTHER INFORMATION REQUIRED IN ADDITION TO THAT SET OUT IN ARTICLE 22 (6) OF THE SIXTH VAT DIRECTIVE AS AMENDED BY DIRECTIVE 91/680/EEC?**

- full identification of the taxpayer (name, address, Community VAT number)
- marking if the taxpayer is an intermediary
- in case of correction the letter “T” that means cancel and the letter “U” that means new data, and the reason of correction (wrong Community VAT number/amount/period)

**27. HAVE YOU INTRODUCED SIMPLIFIED PROCEDURES FOR RECAPITULATIVE STATEMENTS UNDER IN ARTICLE 22 (12) OF DIRECTIVE 77/388/EEC AS AMENDED BY DIRECTIVE 91/680/EEC? IF SO, WHAT ARE THE THRESHOLDS FOR SUCH PROCEDURES?**

No.

**Electronic declarations**

**28. CAN VAT RETURNS BE SUBMITTED ELECTRONICALLY? IF SO, HOW AND USING WHAT TECHNOLOGY? WHERE MUST APPLICATIONS FOR ELECTRONIC SUBMISSION OF RETURNS BE MADE?**

Only certain part of taxpayers can submit VAT returns electronically in Hungary:

- Legal entity, whose achievement in tax reaches the amount of 1600 million HUF and the seat of the corporation is situated in Pest county or in Budapest.
- 3000 taxpayers with the most achievement in tax.
- In EC non-residence taxpayers.

It is expected that after 1<sup>st</sup> January 2005 there will be a possibility for other taxpayers to submit returns electronically.

The electronic tax return can be used through the eBEV system that is accessible by Internet.

The taxpayers submitting returns electronically are given 3 chip-cards with a personal certificate and a card reader (with the belonging software) that enables him to use digital signature. This means are provided by the competent tax authority.

The taxpayer shall download a software package from the website “[www.apoh.hu/ebev](http://www.apoh.hu/ebev)“. This software will help him to record the return that must be provided with a digital signature. The user shall possess an Internet browser also ([IE 5.5](#), [Netscape 6.0](#), [Mozilla 1.1](#)).

**29. CAN RECAPITULATIVE STATEMENTS BE SUBMITTED ELECTRONICALLY? IF SO, HOW AND USING WHAT TECHNOLOGY? WHERE MUST APPLICATIONS FOR ELECTRONIC SUBMISSION OF STATEMENTS BE MADE?**

Recapitulative statements can be submitted under the same conditions mentioned in the former point.

**30. DO YOU OPERATE A FLAT-RATE SCHEME? IF SO, HOW DOES IT WORK?**

There is no flat-rate scheme regarding VAT in the Hungarian legal system.

**Administrative requirements**

**31. ARE THERE SIMPLIFIED ADMINISTRATIVE REQUIREMENTS OTHER THAN THOSE ALREADY MENTIONED? IF SO, PLEASE DESCRIBE THEM.**

(1) The simplified taxation system called EVA (only one tax-type should be paid by the trader instead of many) currently applies to the following sectors:

- private entrepreneurs
- general (unlimited) partnerships
- limited partnerships
- limited liability companies
- cooperatives
- forest management associations
- bailiff's office
- law firms
- patent agencies

Conditions:

- The taxpayer's total annual revenue in the tax year immediately preceding the previous did not exceed HUF 25 million and it can be reasonably expected that his total revenue for the previous tax year and for tax year will remain below HUF 25 million.
- He does not have a community tax number prescribed in the Act on the Rules of Taxation, and is not required by law to use a community tax number.
- The taxpayer had been continuously engaged in business operations as a private entrepreneur, or, if a legal person or unincorporated business association, it did not undergo a structural transition (including, for example, merger, demerger and spin-off), and also, with respect to legal persons and unincorporated business associations, no new member (or members) has acquired a share (other than by inheritance) that yields control of more than 50 per cent of the voting rights (on the aggregate).
- He was not penalized by a final decision of the tax authority for any repeated violation of the obligation to issue receipts or invoices.
- He was not subject to taxation based on price margin according to the Act on Value Added Tax, nor subject to abide by the special tax regulations pertaining to activities related to tourism, and did not select the special status of taxable persons engaged in agricultural activities.
- He was not subject to a dissolution procedure or liquidation procedure by court order.

- Generated, as a private entrepreneur, business revenue by supplying goods and services or, as a legal person or unincorporated business association, claimed sales revenue (or similar income) in accordance with the provisions of the Accounting Act.
- He is not engaged in any activity during the tax year that falls within the scope of the Act on Excise Taxes and the Special Regulations on the Marketing of Excise Goods.
- He is not engaged during the tax year in any of the indirect agency activities specified in customs laws.

Taxpayers wishing to enter the simplified taxation system shall notify the state tax authority on or before the 20th day of December using the prescribed form.

Eligible taxpayers shall assess and declare the tax base and the tax payment on an annual basis and they shall make tax prepayments for the first three quarters of the tax year.

- (2) The tax exemption scheme generally – with some exceptions - exempts those eligible from recording, assessment, declaration and accounting for tax. No deduction is allowed.

Conditions:

The taxpayer's total revenue from the goods and services he supplied in the tax year preceding registration and the revenue, prorated, that can reasonably be expected for his economic activity in the tax year in which he register remains below the determined limit (6,000,000 HUF for the family estate farmers specified in the Act on Arable Land and for agricultural smallholders using flat-rate taxation in accordance with the Personal Income Tax Act, 4,000,000 HUF in all other cases).

- (3) The special scheme for farmers under which farmers are generally exempted from recording, assessment, declaration and accounting for tax. No deduction is allowed.

Farmers using barter overcharge shall pay tax in the case of intra-Community acquisition over 10.000 Euro.

**32. IN WHAT LANGUAGE(S) ARE FORMS (PERIODIC VAT RETURNS AND RECAPITULATIVE STATEMENTS) AVAILABLE OR TRANSLATED?**

The forms are currently available in Hungarian.

**Right of deduction**

**33. FOR WHAT CATEGORIES OF GOODS AND SERVICES CAN NO INPUT TAX BE DEDUCTED?**

- leaded or unleaded motor fuels (under headings 2710 11 41, 2710 11 45, 2710 11 49, 2710 11 59),

- passenger cars, motorcycles above 125 cc (under heading 8711), yachts, sporting and leisure boats (under heading 8903),
- foodstuffs and beverages,
- services of restaurants, confectionery shops, and other public catering services,
- entertainment services (SZJ 55.40, 92.33, 92.34, 92.72),
- purchases and services received in connection with the operation and maintenance of passenger cars,
- using long-distance or local taxi services (SZJ 60.22.11),
- parking services and highway tolls,
- purchases related to the construction or remodelling of residential properties,
- purchase of residential property that is not eligible

(provided that such purchase is not for the purpose of resale, for the purpose of use as a direct material as shown in the records, or for the purpose defined in Subsection (4) of Section 8 of the Hungarian VAT Code)

**34. WHAT ARE THE CATEGORIES OF GOODS AND SERVICES FOR WHICH THERE IS A PARTIAL RIGHT TO DEDUCT? PLEASE INDICATE THE PERCENTAGE.**

30 per cent of the tax charged on local and long-distance telephone services (SZJ 64.20.11 and 64.20.12), mobile telephone services (SZJ 64.20.13), and on Internet-protocol-based voice transmission services (under SZJ 64.20.16) cannot be deducted. This deduction restriction shall not apply to taxable persons who re-invoice at least 30 per cent of the services in question for the purpose of resale or in accordance with Subsection (4) of Section 8 of the Hungarian VAT Code (services ordered in own name but for another person).

The VAT charged on product given for purpose of telework can be deducted only partly. The proportion of deduction goes to the proportion of the employee's work-costs undertaken by the employers.

## ANNEX 1: THRESHOLDS

Member State	Threshold for application of the special scheme for acquisitions by taxable persons not entitled to deduct input tax and by non-taxable legal persons <sup>1</sup>		Threshold for application of the special scheme for distance selling <sup>2</sup>		Exemption for small enterprises <sup>3</sup>	
	National currency	Euro equivalent	National currency	Euro equivalent	National currency	Euro equivalent
Belgium	€11.200		€35.000		€5.580	
Czech Republic		10.000		35.000		35.000
Denmark	80.000 DKK	10.722	280.000 DKK	37.528	50.000 DKK	6.667
Germany	€12.500		€100.000		€16.620	
Estonia	160.000 EEK	10.226	550.000 EEK	35.151		16.000
Greece	€10.000		€35.000		€9.000 or €4.000	
Spain	€10.000		€35.000		None	
France	€10.000		€100.000		€76.300 or €27.000	
Ireland	€41.000		€35.000		€51.000 or €25.500	
Italy	€8.263		€27.889		None	None
Cyprus	6.000 CYP	10.226	20.000 CY Pounds	34.220		15.600
Latvia	7.000 LVL	10.778	24.000 LVL	36.952		17.200
Lithuania	35.000 LTL	10.138	125.000 LTL	36.207		29.000
Luxembourg	€10.000		€100.000		€10.000	
Hungary		10.000		35.000		35.000
Malta		10.000		35.000		37.000 <sup>4</sup> 24.300 <sup>4</sup> 14.600 <sup>4</sup>

<sup>1</sup> See second subparagraph of Article 28(a)(1) of Directive 77/388/EEC, as amended.

<sup>2</sup> See Article 28b, (2) of Directive 77/388/EEC, as amended.

<sup>3</sup> See Article 24(2) of Directive 77/388/EEC, as amended. This scheme is reserved for taxable persons established within the territory of the country.

<sup>4</sup> €37 000 when the economic activity consists principally in the supply of goods, €24 300 when the economic activity consists principally in the supply of services with a low value added (high inputs), and €14 600 in other cases, namely service providers with a high value added (low inputs)

## ANNEX 1: THRESHOLDS

Netherlands	€10.000		€100.000		None	None
Austria	€11.000		€100.000		€22.000	
Poland		10.000		35.000		10.000
Portugal	€8.978		€31.424		€9.976 or €12.470	
Slovenia		10.000		35.000		25.000
Slovak Republic		10.000		35.000		35.000
Finland	€10.000		€35.000		€8.500	
Sweden	90.000 SEK	10.071	320.000 SEK	35.809	None	None
United Kingdom	56.000 GBP	87.678	70.000 GBP	109.598	55 000 GBP	86.112

## **ANNEX 2: VAT IDENTIFICATION NUMBER**

- BE** le numéro d'identification à la taxe sur la valeur ajoutée  
BTW - identificatienummer
- CZ**
- DK** momsregistreringsnummer
- DE** Umsatzsteuer - Identifikationsnummer
- EE** käibemaksukohustuslasena registreerimise number
- EL** Αριθμός Φορολογικού Μητρώου ΦΠΑ  
Arithmos Forologikou Mitroou FPA
- ES** el número de identificación a efectos del Impuesto sobre el Valor Añadido
- FR** le numéro d'identification à la taxe sur la valeur ajoutée
- IE** value added tax identification no.
- IT** il numero di registrazione IVA
- CY** Αριθμός Εγγραφής Φ.Π.Α.  
Arithmos Egrafis FPA
- LV** pievienotās vērtības nodokļa (PVN) reģistrācijas numurs
- LT** PVM mokėtojo kodas
- LU** le numéro d'identification à la taxe sur la valeur ajoutée
- HU**
- MT** numru ta' l-identifikazzjoni tat-taxxa fuq il-valur miújud  
value added tax identification number
- NL** BTW - identificatienummer
- AT** Umsatzsteuer - Identifikationsnummer
- PL**
- PT** o número de identificação para efeitos do imposto sobre o valor acrescentado
- SI** identifikacijska številka za DDV

## **ANNEX 2: VAT IDENTIFICATION NUMBER**

- SK** identifikačné číslo pre daň (IČ DPH)
- FI** arvonlisäverorekisteröintinumero  
Mervärdesskatteregistreringsnummer (momsregistreringsnummer)
- SE** Mervärdesskatteregistreringsnummer (momsregistreringsnummer)
- GB** value added tax (VAT) registration no.

### ANNEX 3: ABBREVIATIONS

	<b>COUNTRY</b>	<b>CURRENCY</b>
BELGIUM	BE	EUR
CZECH REPUBLIC	CZ	CZK
DENMARK	DK	DKK
GERMANY	DE	EUR
ESTONIA	EE	EEK
GREECE	EL	EUR
SPAIN	ES	EUR
FRANCE	FR	EUR
IRELAND	IE	EUR
ITALY	IT	EUR
CYPRUS	CY	CYP
LATVIA	LV	LVL
LITHUANIA	LT	LTL
LUXEMBOURG	LU	EUR
HUNGARY	HU	HUF
MALTA	MT	MTL
NETHERLANDS	NL	EUR
AUSTRIA	AT	EUR
POLAND	PL	PLN
PORTUGAL	PT	EUR
SLOVENIA	SI	SIT
SLOVAK REPUBLIC	SK	SKK
FINLAND	FI	EUR
SWEDEN	SE	SEK
UNITED KINGDOM	GB	GBP