

Dear Clients,

The Government of Hungary has announced tax reliefs in order to mitigate the effects of the COVID 19 pandemic in several industries. Businesses in the sectors concerned (tourism, accommodation, entertainment, gambling, film-related services, art activities, trade fair and sport activities) have the following tax reliefs:

1. Employer's taxes on gross wages (17.5% of social contribution and 1.5 % of training contribution) are cancelled for **March-June, 2020**.
2. Taxes deducted from gross wages are also decreased for the same period: only 4% (max. HUF 7.710 per month) of health contribution and the personal income taxes will be due.
3. Also, for this period, contribution for tourism development is cancelled, tax returns are not needed to be submitted.

Further to above, all businesses will still have the possibilities to apply for **reduction of tax advances, deferring or partial payments** of submitted, but unpaid tax liabilities. In those cases, a so-called "fairness procedure" would be processed, so the necessary forms shall be completed and submitted to the Tax Authority. All the available supporting documents shall be attached since the Authority will make its decision only based on the documents. The Government has promised that all acceptable application will be treated favourably.

Should you need our assistance for the submissions, or have further questions, please contact our colleagues.

Budapest, March 26, 2020