

Retail tax in Hungary

What activities are subject to retail tax in Hungary

If you sell goods in Hungary to private individuals (B2C sale), you may become subject to retail tax. For example, if a Polish merchant sells its own products directly to Hungarian customers – who could be non-taxable persons as well – via Allegro, the merchant will be subject to retail tax upon reaching a threshold limit.

IMPORTANT: In practice, this means that even if you sell your products to B2B buyers, the fact that you made the products available to B2C buyers as well would trigger retail tax obligation on the sale.

What is the threshold limit of the retail tax in Hungary

Retail tax in Hungary has a progressive tax rate with a minimum threshold of HUF 500 million (approx. EUR 1,3 million) in net consideration from the sale of goods delivered in Hungary (excluding VAT).

What should be done upon reaching the threshold limit of sales volume

You have to register for retail tax in Hungary, if the expected net consideration from the sale of goods delivered in Hungary (excluding VAT) in the tax year exceeds HUF 500 million derived from the retail activity described above. Along with the registration, you will also need to file tax and tax advance returns to the Hungarian Tax Authority.

Until the threshold is not reached during the year, you don't have to register and submit returns, but you should monitor your expected revenue to be able to register before reaching the threshold limit. You should take into account that the registration usually takes 1-3 months.

If you register after reaching the threshold during the year, then you might be charged to pay a late payment interest for the tax advance payment that should have been paid by the time it was clear that the threshold will be reached. For example calculation of the advance payment, please refer below.

The registration process

Generally, you can initiate the registration procedure by filing the necessary documents and the form T201 to the Hungarian Tax Authority electronically.

The necessary documents are listed below:

- Corporate registry certificate (not older than 30 days) that must be original or legalized by a notary.
- Certificate of the taxable status (tax number) of the Company issued by the tax authority (original, not older than 30 days).
- Notarized specimen signature of the person authorized to represent the Company or notarized copy of passport.

The Hungarian Tax Authority usually asks for a Hungarian translation of these documents – the translation does not have to be notarized.

The Hungarian Tax Authority will ask you to provide the below information through form T201:

- Name of the Company; Short name of the Company.
- Description of the Hungarian business activity of the Company.
- Starting date of the Company's business activity in Hungary.
- Address of the Company.
- Number and date of the deed of foundation document of the Company.
- Name of the representative(s).
- Citizenship of the representative(s).
- Address of the representative(s).
- Date and place of birth of the representative(s).
- Maiden name of the representative(s) mother.
- Date on which the representative(s) were appointed.
- Date on which the representative(s) appointment will be terminated.

- Indication whether the indicated legal representative has individual or joint representation rights.

You will have to notify the Hungarian Tax Authority on the registration form if you opt for either the application of the exchange rate of the Hungarian National Bank or the European Central Bank.

If you decide to authorize a service provider to do the registration process and the compliance tasks afterwards, you could do that by submitting form 'UJEGYKE' to the Hungarian Tax Authority. The UJEGYKE authorization process takes 1-2 weeks following the submission of the signed forms.

Requirements to fulfil the retail tax obligations

Hungarian VAT number (VAT number in Hungary serves as the tax identification number) is required for the fulfilment of retail tax obligations. However, if you register solely for the purpose of retail tax activity, you will not have any VAT obligation in Hungary, and this would be a "technical" VAT number with a clear indication of this nature (so it would not create VAT obligations for you).

a service provider is not mandatory as a representative in accordance with the legislation, however, from a practical standpoint it is recommended (for e.g. the electronic-filing of tax returns, other documents, communication with the Hungarian Tax Authority). You can fulfill your retail tax obligations on your own after completing the necessary administrative processes (e.g. the representative of the merchant has to register at the Hungarian Embassy for Client Gate access "Ügyfélkapu"). It is important to emphasize however, that Hungarian knowledge will be required to proceed with the mandatory reporting obligations. Therefore, it is recommended to appoint a trusted service provider to fulfill the mandatory reporting obligations. For that, you would only need to authorize the selected service provider with an E-filing registration.

What are the main retail tax obligations in Hungary

You have to prepare and submit the retail tax return to the Hungarian Tax Authority annually based on each tax year.

After completing of the mandatory administrative processes, the return itself could be prepared and submitted to the Hungarian Tax Authority via an electronic form-filling software, called ÁNYK. The report itself for the tax year of 2024 is called 24KISKER.

The basis of the return will be your sales analytics, from which either you or an appointed service provider would be able to prepare the retail tax return. The following data is crucial in order to have sufficient data for the preparation of the return:

- Original sales data containing all the data that is necessary to prepare the retail tax analytics should be kept record of (there is no template for it, but it has to contain all necessary data).
- In case of an audit, the record-keeping of original sales data and the prepared retail tax analytics subject to retail tax should be provided to the Hungarian Tax Authority.

The following table contains the most important and relevant obligations regarding the Hungarian retail tax regime:

Main obligations	Details
What data needs to be reported in the return?	<ul style="list-style-type: none"> • Tax base¹ • Tax advance payments² • Refundable / payable tax based on final tax calculation • You can ask the reclaimable/refundable tax amount to be transferred to the Company's bank account in the year-end tax return
What is the reporting frequency?	<ul style="list-style-type: none"> • Annual
Do you have to file a tax return if you have not yet reached the threshold limit?	<ul style="list-style-type: none"> • No

What is the reporting deadline?	<ul style="list-style-type: none"> • Last day of the fifth month following the end of the tax year (i.e. 31st of May if the tax year matches the calendar year) • If the deadline falls on a weekend or on a public holiday, the deadline shifts to the following workday
What are the tax advance / tax payment deadlines?	<ul style="list-style-type: none"> • In general, you have to pay tax advance in two equal installments (on 20th of the seventh and tenth months) based on prior tax year's data³ (e.g. 20th July and 20th October, if the tax year matches the calendar year) • If you have to pay retail tax additionally to the two advance payments, it's deadline matches the deadline of the final tax return's, (i.e. last day of the fifth month following the end of the tax year) • You will have to pay the retail tax and advance payments to the Hungarian Tax Authority
What are the possible sanctions?	<p>The Hungarian Tax Authority may examine the reported data during a tax audit. As a conclusion, the authority issues a decision in which they can sanction non-compliance, as follows:</p> <ul style="list-style-type: none"> • If you miss the deadlines to report the necessary information, the tax authority may charge you with a default penalty up to HUF 1,000,000 (approx.: EUR 2,600) • If you paid less retail tax than you should have, the tax authority may charge you with a tax penalty, which is 50% of the not paid tax liability (tax difference) • If you miss to pay the retail tax on time, the tax authority may charge you with a late payment penalty, which is calculated with 5% interest + the official interest rate published by the Hungarian Central Bank after the tax difference for each calendar day on the outstanding retail tax amount

Further details of the main obligations:

- ¹ Tax base is calculated from the consideration (i.e. **net amount excluding VAT**) received from distance sales activity in Hungary (e.g. a German merchant sells a bicycle to a Hungarian customer for EUR 1,500 + VAT. In that case, the German merchant will have EUR 1,500 worth of sales which has to be added to the tax base)
- Tax advance payment calculation method may differ based on the length of retail sales activity in Hungary prior to the concerned tax year (12 months or less) – ² ***please refer to the example calculations indicated below.***
- The tax return form is only available in Hungarian language, therefore it is inevitable to have someone who understands the language of the form and the software itself, which is used for the preparation and submission of the return.

- You have to make a proportionate calculation if the start date of your taxable retail activity differs from the first day of the year – ³ ***please refer to the example calculations indicated below.***

Tax base and tax rate

The following table contains each threshold intervals with the corresponding tax rates. Please note that the applicable tax rates are revised annually, therefore the highlighted rates are valid for 2024 but may change in the future.

Tax base	Tax rate
less than HUF 500,000,000	0%
exceeding HUF 500,000,000 but not exceeding HUF 30,000,000,000	0,15%
exceeding HUF 30,000,000,000 but not exceeding HUF 100,000,000,000	1%
exceeding HUF 100,000,000,000	4,5%

Examples for calculation and reporting

Example 1 – You carried out retail tax activity for a whole tax year

You start your taxable retail activity on 1 January 2024. For 2024, retail tax return was submitted on 31 May 2025 with a final tax amount of HUF 50,000,000 (approx.: EUR 128,000). In 2025 you earn a taxable amount of HUF 31,000,000,000 through selling your products to Hungarian customers.

Calculation: Tax: = $[(30,000,000,000 - 500,000,000) * 0,0015] + [(31,000,000,000 - 30,000,000,000) * 0.01] = \text{HUF } 54,250,000$ (approx.: EUR 139,102)

Tax advance payment liability: As the prior year i.e. 2024 was a whole year from retail tax activity standpoint you can use the general rule when calculating tax advance payment liability for tax year 2025:

- HUF 25,000,000 till the 20th day of the seventh month of the tax year (July 2025, in this case) and
- HUF 25,000,000 till the 20th day of the tenth month of the tax year (October 2025, in this case)

Final tax payment & reporting deadline: Final tax is $54,250,000 - 50,000,000 = \text{HUF } 4,250,000$ till 1 June 2026 (as 31 May 2026 is Sunday)

Example 2 - You carried out retail tax activity for shorter than a whole tax year, therefore, a proportionate calculation is needed

If you start your taxable retail activity on 1 October 2024, and you earn a tax base amount of HUF 276,000,000 by the end of the tax year, i.e. by 31 December 2024.

Calculation: As the retail activity does not cover the entire tax year (from January 1 to December 31 in our case), you will have to calculate a proportionate tax amount, taking into account the actual days of operation (the 92 days between October 1 and December 31, 2024) compared to the entire year of 2024, which has 366 days.

- Annualised tax base: $(\text{HUF } 276,000,000 / 92) \times 366 = \text{HUF } 1,098,000,000$ (approx.: EUR 2,8 million)
- Tax amount per annualised tax base: $(\text{HUF } 1,098,000,000 - \text{HUF } 500,000,000) \times 0.15\% = \text{HUF } 897,000$ (approx.: EUR 2,300)

- Tax payable reallocated to the number of operating days: $\text{HUF } 897,000/366 \times 92 \sim \text{HUF } 225,500$ (approx.: EUR 578)

Tax advance payment liability: In case you start a retail activity in Hungary during the tax year, the amount of the advance payment is the expected tax amount for the tax year. In practice, you will have to calculate a projected amount, which of course you will settle ultimately at the year-end tax return.

For example, you estimated to have a HUF 250,000,000 sales volume subject to retail tax between 1st of October 2024 and 31st of December 2024. In that case, you would have to perform the above annualized calculation and pay the tax advance in two equal installments, as follows:

- Annualised tax base: $(\text{HUF } 250,000,000/92) \times 366 = \text{HUF } 994,565,217$ (approx.: EUR 2,550,167)
- Tax amount per annualised tax base: $(\text{HUF } 994,565,217 - \text{HUF } 500,000,000) \times 0.15\% = \text{HUF } 741,847$ (approx.: EUR 1,902)

Tax payable reallocated to the number of operating days: $\text{HUF } 741,847/366 \times 92 \sim \text{HUF } 186,475$ (approx.: EUR 478)

The advance payment should be paid in two equal installments: at the time of registration, and by the last day of the tax year.

Based on the above, you should pay the tax advances in two equal installments based on preliminary estimated tax amount for the tax year, as follows:

- HUF: 93,237 (EUR 239) until the finish of the registration process in 2024 and
- HUF 93,237 (EUR 239) by the last day of the tax year e.g. 31 December 2024

Final tax payment & reporting deadline: Tax difference between final tax amount calculated - the preliminary estimated-paid tax advance till 2 June 2025 (as 31 May 2025 is Saturday)

Example 3 – You have not reached the threshold amount in tax year 2024

If you start your retail activity in Hungary for example on the 1st of November and have a net sales volume of HUF 15,000,000 (approx.: EUR 38,461) until the end of the tax year (e.g. 31st of December 2024 in this case), you will not trigger registration or reporting obligations.

However, you should monitor the sales volume in the next year, as you might reach the threshold volume sometime during the year. For example, if you perform sales in Hungary for a net volume of HUF 400,000,000 from the 1st of January 2025 until 31st of May 2025, it is likely that you would reach the limit until the end of the year. In that case, it is recommended to start the registration process and since you will be obliged to pay tax advance at the date of the registration, you will have to calculate that amount as well.

Similarly to the previous example, you should calculate the projected amount for the whole tax year. To simplify the calculation, an annual tax base could be sufficient to decide:

- Annualised tax base: $(\text{HUF } 400,000,000/151) \times 365 = \text{HUF } 966,887,417$ (approx.: EUR 2,480,000)
- Tax amount per annualised tax base: $(\text{HUF } 966,887,417 - \text{HUF } 500,000,000) \times 0.15\% = \text{HUF } 700,331$ (approx.: EUR 1,800)

After calculating the projected tax base and tax amount, you will have to pay the advance payment as follows:

- HUF: 350,165 (EUR 900) until the finish of the registration process in 2025 and
- HUF 350,165 (EUR 900) by the last day of the tax year e.g. 31 December 2025.