

13.12.2016

## Newsflash – The spirit of Christmas pervades even legislation: major tax relief from 2017

As we recently indicated, the season of tax law amendments is still not over. Here are the most important provisions of the amendment law adopted on 12 December.

- From 2017 a corporate tax rate of 9% shall take effect instead of the present two rates (19% and 10%). For taxpayers which follow fiscal years that differ from the calendar year, the new rule shall first apply for the fiscal year starting after 1 January 2017.
- From 2017 the social contribution tax is to fall from 27% to 22%, parallel to this the health care contribution on other benefits (i.e. a number of fringe benefit elements, e.g. Erzsébet-vouchers, back-to-school support, local public transport passes) will also drop to 22%.
- Further relief in these elements is expected from 2018, with the social contribution tax rate and the health care contribution payable on other benefits set to drop from 22% to 20%.
- From 2017 any income from the sale of real estate or any property-related right or concession shall be tax exempt following the fifth year of acquiring the income (this rule used to be applicable only for the sale of residential properties).
- From 2018 advertising billboards may incur a building tax payment liability depending on the decision of the given local government; the taxpayer is the owner of the advertising board and the maximum rate is HUF 12,000/square meter.

We sincerely hope you will find the above information useful. If you have any questions or need information on the detailed regulations, please do not hesitate to contact us.