

## wts klient newsflash

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## Social contribution tax exemption for entertainment costs and business gifts until year-end

### Spring tax law amendments adopted too

*Nine new government decrees, including several tax amendments, appeared on 9 June in issue 2021/107 of the Hungarian Gazette. On the same day, issue 2021/106 of the Hungarian Gazette promulgated the [spring tax law amendments](#) submitted on 11 May and adopted on 8 June. The tax measures included in Government Decree 318/2021 (VI.9) – including the social contribution tax exemption for entertainment costs and business gifts – are designed to relaunch the Hungarian economy after the pandemic.*

#### Tax administration relief

Based on the Hungarian government decree, the **tax authority** may, on one occasion, **give a taxpayer up to 6 months of an interest-free payment deferral or up to 12 months of interest-free payments in instalments** based on a submitted application, if it is likely that the payment difficulties can be attributed to the state of emergency. The application and the justification for the payment difficulties must be submitted by 31 December 2021, and the relief may be requested for tax registered at the tax authority of up to no more than HUF 5 million (roughly EUR 14,250).

If paying the tax debt would make it impossible for the applicant to continue its business activity for reasons attributable to the state of emergency, the tax authority may **reduce the tax debt once by up to 20%, but by no more than HUF 5 million (roughly EUR 14,250)**. Such applications must be submitted by 31 December 2021, and a tax reduction may be requested for one tax type only.

If a tax debt is reduced, no payment relief may be authorised for the remaining amount. A tax debt reduction may not be authorised if the tax authority has granted payment relief to the taxpayer.

#### Social contribution tax exemption

Under the government decree, **no social contribution tax needs to be paid for the entertainment and business gift benefits** defined in the Act on Personal Income Tax if the benefit was given **between 10 June 2021 and 31 December 2021**.

Another important change alongside the social contribution tax exemption for entertainment and business gifts is that in the case of jobs established between 10 June 2021 and 31 December 2021, anyone who according to the NAV was **in employment, a partnership or was a sole trader** and insured under the [Act on Social Security](#) for **no more than 92 days** of the 183 days prior to the start of the preferential employment will be considered to be **joining the labour market**.

#### SZÉP card and tourism development contribution

In addition to the above, the government decree **once again extends the social contribution tax exemption** in Hungary on amounts that can be granted – as fringe benefits – under the **Széchenyi Rest Card** for 2021 benefits, and retains the amount of the allowance raised [last spring](#) and already [extended](#) on one occasion. For employers not qualifying as budgetary organisations, this means a limit of HUF 800,000 (roughly EUR 2,280), from which HUF 400,000 (roughly EUR 1,140) can be transferred to the accommodation sub-account, HUF 265,000 (roughly EUR 755) to the catering sub-account, and HUF 135,000 (roughly EUR 385) to the leisure sub-account.

**No tourism development contribution** needs to be assessed, declared or **paid** from 1 January 2021 **until 31 December 2021** either.

#### TAX CONSULTING

Should you have any questions about the fringe benefits paid to SZÉP cards, the social contribution tax exemption for entertainment costs and business gifts or about any other part of the government decree, please do not hesitate to contact [our tax experts](#).

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