



GES NewsFlash

Hungary – Additional Changes in the Hungarian Social Security and Tax Administrative Rules as of 2011

December 30, 2010

In this issue:

Expatriates Liable to Hungarian Social Security

Personal Income Tax Return Filing – Extension

Tax Authority Certificates

People to Contact

The Hungarian Parliament has already adopted a part of the proposed tax law changes for 2011, so we would like to draw your attention to the following tax/social security administrative amendments.

Expatriates Liable to Hungarian Social Security

As of 1 January 2011, the social security procedural rules on registering, filing, contribution payment and reporting obligations for foreign employers and employees liable to Hungarian social security charges (e.g. EU nationals without A1 certificate issued in another EU member state) will change. We are currently discussing the amendments with the authorities and will shortly follow up on the proposed actions.

- Based on the changes to the legislation the foreign employer will be able to register directly with the social security authorities and act directly to comply with the social security obligations. However, the foreign employee of the company would also be able to act on behalf of the foreign employer with respect to social security obligations (as at present).
- The registration and monthly social security return filing procedure could also change significantly and the changes would have an effect on the individuals registered already. We expect that the form of the social security return will be bilingual (Hungarian-English).
- It will be possible to settle the payment of all contributions (pension, social security, etc.) in one payment.

Based on the above, the changes of the Social Security regulations could have a significant effect on foreign companies and their employees working in Hungary.

We will inform you in more detail once all the interpretation issues and practical aspects have been clarified with the authorities.

Personal Income Tax Return Filing – Extension

Based on the recently adopted changes to the tax procedural rules, there is a possibility for a tax return filing extension.

If supporting documents and/or any relevant information is not available for reasons beyond the tax payer's control and therefore the tax payer will likely be unable to complete and submit his/her tax return by the filing deadline (20 May of the year following the tax year), the taxpayer should inform the tax authority of the delay before the filing deadline. In addition, the tax payer should file the tax return with a justification (Letter of Justification) of the delay.

In this case, the tax authority will not levy either a default penalty for the delay in filing or late payment interest up to 20 September of the year when the tax return has to be filed. We expect that further details on the reporting obligation to benefit from the extension will be available by mid February 2011 and we will keep you informed.

Tax Authority Certificates

As per the new legislation the tax authority issues tax and income certificates and certificates of residence within 8 days from the receipt of a written application. Currently, such certificates typically required for immigration purposes (e.g. residence permit or work permit extensions) could be obtained at request, so we expect that this change could lengthen the immigration application processes.

People to Contact

If you have any questions concerning the issues in this GES NewsFlash, please contact one of the tax professionals as follows:

Eszter Gyuricsku

Tel: +36 (1) 428 6756

This NewsFlash information is also included in our bi-weekly GES newsletter, *Global InSight*, which you will receive directly if you are on the central distribution list.

If you are not on the central distribution list and received this communication by some other means, you can follow these few simple steps to be added to the central distribution list.

- Go to the [Deloitte Subscriptions Page](#) on Deloitte.com
- Make sure that under Step 1 you select "Tax" and "Global Employer Services"
- Under Step 2, select "Global Insight"

– Under Step 3, fill out your contact information and click “Save my profile”

Be sure to visit us at our Web site: www.deloitte.com/tax

[Back to Top](#)

[Home](#) | [Security](#) | [Legal](#) | [Privacy](#)

1633 Broadway
New York, NY 10019 – 6754
United States

© 2010 Deloitte Touche Tohmatsu.

Deloitte refers to one or more Deloitte Touche Tohmatsu, a Swiss Verein, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu and its member firms.

 **[Deloitte RSS feeds](#)**
