



VAT Standard rate

The standard VAT rate in Hungary in 2023 is 27%.

VAT Reduced rate

5% – Internet access services

Threshold

The tax threshold is €10,000 for digital services.

Pieces of evidence

To identify the customer's location, the merchant has to collect AT LEAST two pieces of information. If they are both in Hungary, it is likely that the customer is Hungarian:

- Customer's permanent address;
- Billing address (bank or electronic payment operator);
- IP address;
- Telephone number;
- The location of the customer's fixed landline through which the service is supplied to him;
- Other commercially relevant information.

E-services list

As per EU law, a digital product includes any product that's delivered through the Internet or emailed to you. These products are delivered by email or downloaded from the internet and include goods or services:

- E-books, images, movies, and videos, whether buying a copy from Shopify or using a service like Netflix. In tax language, these products are in a category usually called, «Audio, visual, or audio-visual products»;
- Downloadable and streaming music, whether buying an MP3 or using a service like SoundCloud or Spotify. Of course, these products also fall into the audio category;

Cloud-based software and as-a-Service products, such as Software-as-a-Service (SaaS), Platform-as-a-Service (PaaS), and Infrastructure-as-a-Service (IaaS);
Websites, site hosting services, and internet service providers;
Online ads and affiliate marketing.

Registration procedure

New users should follow the “Union Scheme” option, and established taxable persons should follow the “non-Union Scheme” option. The company must submit its full name and identification number to register in Hungary’s MOSS Portal. Once they’ve successfully registered, they’ll receive an email activation link that allows them access to the MOSS portal by entering their e-mail and password:

Taxable persons not established in the EU (non-Union scheme):

Company’s name, a trading name of the company if different from the company name, full postal address, email address and website of the taxable person, name and phone number of the contact person, BIC number;
National tax number, if any;
Country in which the taxable person has his place of business;
IBAN or OBAN number;
An electronic declaration that the taxable person is not registered for VAT within the Union;
Date of commencement of using the scheme.

A taxable person established in Hungary (Union scheme):

Company’s name, a trading name of the company if different from the company name, full postal address, email address and website of the taxable person, name and phone number of the contact person, BIC number;
Tax identification number in Hungary;
Full postal address of fixed establishment(s) situated in other Member States of the European Community;
VAT identification number issued to the taxable person by any Member State of the European Community where the taxable person is not established;
VAT identification number issued by any Member State of the European Community where the taxable person’s fixed establishment is located, or tax reference number in the absence thereof;
Country where the taxable person is established if established outside the territory of the European Community;
Date of commencement of using the scheme;
IBAN number.

Keeping records

You need to follow the books for 10 years after which you sold their service, and have your work on hand if requested.

Filling VAT returns

You have to submit quarterly VAT returns to your member state of identification, where the information is then transferred securely to the member state of consumption.

VAT payment date

A tax is paid in Hungarian currency using a bank transfer. You must make the payment no later than the filing deadline and use reference to the tax declaration on which it is based.



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