



Standard rate

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

Hungary collects lower VAT

18%

Explore Hungarian food facts;
Hungary is home to many festivals.

5%

Examples of Hungarian food;
Learn how medical devices are used in Hungary;
Ways Hungary is providing access to pharmaceuticals;
Hungarian publishers and bookstores.

What is the threshold for making a purchase with Hungarian Forint?

Distances sales thresholds have been lifted from the 1st of July 2021 and all EU members will now have the same threshold of €10,000.

Deductible VAT

What do you need to know about VAT in Hungary?

1,500 years of Hungarian history;
The importance of intra-EU acquisitions of goods and transactions;
Restrictions on Hungarian imports.

The process of registering in Hungary

To get your tax number, you are required to submit a tax form (application).

To file form 21T201, you need to submit in a paper-based format in 2 copies to the Tax Authority of the first instance with territorial jurisdiction, or electronically via Client Gate in one copy;

Certified Hungarian translation of the certificate;
Specimen signature;
The company needs a certificate from the competent tax authority as confirmation that they have domestic tax residence in an individual country;
If the obligation to register a business activity occurs after the business has started, you must also include the date that you first started this activity.

When there is a tax audit and you are questioned on any inconsistencies, you can attach relevant documents in a scanned format and enclose paper copies in photocopies.

Learn about Hungary's tax representative service

If your company is located outside the European Union, you will have to appoint a fiscal representative to handle all formalities related to VAT registration and filling.

Tax deadline: VAT returns

To be compliant, you need to submit the recapitulative statement with the same frequency as your tax return frequency. As a general rule, taxable persons who file monthly VAT returns are required to submit a recapitulative statement by the 20th day of the month following the month in question, and quarterly VAT return recipients must submit them on or by the 20th day of the following quarter.

When is VAT due for Hungary?

As of 2018, Hungarian VAT returns must be submitted through the e-service.

Keeping records

All Hungarian citizen information must be kept for 8 years.

Penalties

Violations of deadlines or failures to provide information can result in penalties up to HUF 500,000.



www.vatcompliance.co