

## **Public Health Product Charge in Hungary**

### **I. Brief description**

Public Health Product Charge obligation applies to the first domestic sales of certain product categories that has ingredients considered as unhealthy by the regulation.

The relevant rules can be found in Act CIII on Public Health Product Charge in the Hungarian legislation (hereinafter: 'Public Health Product Charge')

A Hungarian tax number should be registered with the Hungarian tax authority to comply with reporting and payment obligations of Public Health Product Charge.

### **II. Transactions subject to the obligation**

The following product categories are subject to Public Health Product Charge:

- syrup;
- soft drink;
- energy drink;
- sugary product;
- sugarized cocoa powder;
- salted snack;
- food seasoner;
- flavoured beer;
- alcoholic refresher;
- marmalade;
- treat;
- pastry.

The specific products and tax rates are listed in Annex I. of this summary based on custom TARIC codes.

### **III. Rates**

The general tax rates are determined per kilogram per specific products subject to Public Health Product Charge. The rates per kilogram are also included in Annex I. of this summary.

### **IV. Calculation rules**

Public Health Product Charge should be paid on the first domestic sale of products subject to Public Health Product Charge. However, a taxpayer is exempt from Public Health Product Charge liabilities if its sale of taxable products does not exceed 50 litres or 50 kilograms per year.

Public Health Product Charge liabilities should generally arise on the date of delivery, as indicated on the invoice issued on the taxable sales.

The basis of Public Health Product Charge is the weight in kilograms, or the volume in litres of the products subject to Public Health Product Charge.

## **V. Reporting obligation**

Public Health Product Charge returns should generally be submitted to the Hungarian Tax Authority in accordance with the VAT reporting frequency by the 20th day of the month following the reference period.

Taxpayers not registered for VAT purposes in Hungary should submit their Public Health Product Charge return on a yearly basis, by 25<sup>th</sup> February of the year following the respective calendar year.

If the deadline falls to weekend or bank holiday in Hungary, the deadline is shifted to the next working day.

'NETA' form should be used for the reporting.

## **VI. Payment details**

Public Health Product Charge liability should be paid to the Hungarian Tax Authority by the submission deadline of Public Health Product Charge return via bank transfer. If the deadline falls to weekend or bank holiday in Hungary, the deadline is shifted to the next working day. The payment should arrive to the account of the Hungarian Tax Authority in case the payment is initiated from a non-Hungarian bank account.

Public Health Product Charge should be paid in Hungarian Forints.

The bank details for payment:

*Name of the Hungarian Tax Authority's relevant account: NAV 'Népegészségügyi termékadó beszedési számla'*

*IBAN: HU91100320000107700300000000*

*SWIFT of account holder: HUSTHUHB*

*SWIFT of correspondent bank (for non-SEPA payments): MANEHUHB*

*Reference: "Tax registration number should be referred"*

## **VII. Record keeping obligation**

Sellers are required to keep records on products subject to Public Health Product Charge.

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*Please note that the above summary is of general nature and serves for information purposes only. It only highlights some of the relevant rules and thus it cannot be regarded as comprehensive or advice/recommendation for specific tax calculation. Sellers remain responsible for their obligations to any authorities.*