

Tax tips from the experts

We asked representatives of local accounting firms and tax consultants to suggest ways to save on taxes. These are the answers we received.

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For most foreigners, the highly administrative nature of the Hungarian tax system, with its strict and mechanically formal requirements, is the largest and most unpleasant surprise. To fulfil all of these - invoice and invoicing program requirements, Electronic Public Road Trade Control System (EKAER) reporting, transfer pricing documentation, accounting policies, etc. - requires significant efforts in time and costs; especially in consideration of the huge penalties for potential non-compliance. Consequently, I believe it is very important to choose a tax and accounting services provider who proactively assists the company with these requirements of the Hungarian business sphere, so the company may eliminate unexpected surprises and, more importantly, can save on penalties. From another point of view, the Hungarian tax system could be very attractive due to the favourable main tax categories (e.g. low income taxes, relatively good employment taxation). Especially good news is that companies may enforce several corporate income tax allowances and EU funding opportunities, which may - with good optimization - even counteract the relatively high social security contributions and sectoral taxes.

