

Breaking Tax News

Bill on the extension of reverse taxation to agriculture

In contrast to our monthly Tax News+, in our Breaking Tax news you will be informed immediately of regulatory changes affecting your business but without commentary by our experts.

Early this week, the **Parliament passed a bill on the extension of reverse taxation to agriculture**. The bill enacted multiple amendments to the relevant provisions of the VAT Act and the Act on the Rules of Taxation.

The amendments **extend reverse taxation to the sale of particular agricultural products** (certain cereals, oilseeds and protein crops). Pursuant to the amendments, the **VAT will be payable by the buyer of these products**. The bill also includes measures designed to enhance the efficiency of the tax authority's audit activities.

The **main provisions** of the amendment **will take effect on 1 July 2012** although endorsement by the President of the Republic of Hungary is yet to follow parliamentary approval for actual entry into force.

The **amendment is available** in Hungarian on the following link:
<http://www.parlament.hu/irom39/06954/06954.pdf>

If you have any questions or comments concerning the above, please contact one of our tax experts:

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