

Breaking Tax News

Increasing tax rates

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.

In this issue of our Newsletter we would like to inform our clients about the key points of a bill submitted yesterday in connection with the **increase in the rates of the financial transaction tax and the telecom tax as of 1 August 2013** in order to ensure that the budget deficit target is achieved. In addition, the bill contains a proposal for a **6 per cent health care contribution liability for individuals which would be payable on interest income.**

According to the proposal, the current 0.2 per cent rate of the financial transaction tax would be increased to 0.3 per cent. The rate of the financial transaction tax on cash payments from a current account and on cash payments through a cash equivalent payment method would be doubled to 0.6 per cent and, at the same time, the current cap of HUF 6,000 would be abolished.

The current rate of the telecom tax would be increased to HUF 3 per minute for calls (including incomplete minutes) and to HUF 3 per text message sent if the call or message originates from the phone number of a subscriber who is not an individual or from one of the provider's phone numbers. According to the bill, the monthly tax cap per phone number for the subscriptions of subscribers who are not individuals would be raised from HUF 2,500 to HUF 5,000. In the case of interest income earned by individuals, the transitional rules included in the bill ensure that only interest for the period following the bill's entry into force would be subject to the 6 per cent health care contribution liability if the interest period begins before but ends after the bill enters into force.

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

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