

## Breaking Tax News

# New decree on the development tax allowance

**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.**

On 18 July 2014 the new decree on the development tax allowance, Government Decree 165/2014 entered into force under which **applications and requests may be submitted again for the development tax allowance.**

The below changes are to be highlighted:

- The definition of the project start is more detailed by adding a list of negative examples.
- For a „large investment” only the cost of defined investments within the same county shall be counted together.
- The definitions of the eligible and non-eligible costs change (e.g. eligibility of immaterial assets, property rental fee).
- While employers (applying for development tax allowance) who employ unregistered employees became in the past became ineligible for development tax allowance, unregistered employment would only result in ineligibility for development tax allowance under the new rules if the employer was subject to default penalty imposed by the tax authority for unregistered employment.

**Should you have any remarks or questions regarding the above, please contact our professionals:**

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