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# Tax News+

**Below you will find the tasks and potential issues arising from key tax law changes of the past month and recent weeks. We would be ready and glad to discuss with you any of your company specific issues.**

## Expected amendments to the excise guarantee regulation

A new bill (amending the Act on the Budget of Hungary for 2015) was introduced to the Hungarian Parliament on 19 January 2015. The bill aims to abolish the previously set forth progressive excise guarantee system. Furthermore (contrary to earlier plans) the bill would decrease the amount of excise guarantee.

Based on the bill, the amount of excise guarantee would decrease from HUF 22 million to HUF 20 million (as prescribed in 2014) on the following products:

- Alcohol products;
- Beer;
- Other categories of wine;
- Champagne;
- Intermediary alcohol products.

The amendments would enter into force retroactively as of 1 January 2015 and would remain effective until 2 January 2016. As a result, the decreased amount of excise guarantee would remain applicable to the above listed products during 2015.

As a result of the retroactivity and based on the current excise legislation, those (previously initiated) authority procedures should be terminated which would be subject to the new regulations set forth by the bill (e.g. withdrawal of permissions, imposition of penalties). Thus, the reclaimable excise guarantee overpayment generated as a result of the previous regulations should immediately be repaid to the taxpayers by the customs authority.

Should our Clients have any questions in terms of reclaiming the amount of excise guarantee and/or the potentially levied and paid default penalty, initiating the termination of the customs authority procedure or any respective issues, Deloitte’s professionals would be pleased to provide assistance.

## Exemption from the guarantee provision liability in the case of EU co-financed projects

The government decrees regulating the use of EU subsidies during the course of the 2007-2013 and the 2014-2020 programming periods have been amended. Based on the amendment (as of 1 January 2015) the beneficiary of an EU subsidy is not required to provide a guarantee in the case of a co-financed EU project if:

the beneficiary has at least one closed (12 calendar months long) financial year, and

the beneficiary is listed in the registry of taxpayers without public debt set forth by the Act on the Rules of Taxation.

In addition to the above mentioned conditions, an exemption request should be submitted to the authority. A beneficiary not listed in the registry of taxpayers without public debt is allowed to certify its public debt free status by means of a joint tax certification issued within 30 days of submitting the exemption request.

Those beneficiaries already in possession of a grant agreement or document may also submit an exemption whether or not they have already provided a guarantee. If the request is approved, then the beneficiaries are exempt from the guarantee provision liability. Furthermore, all previously provided guarantee(s) should be released by the authority.

## Small-sized group-companies may be exempt from innovation contribution based on the R&D&I Act effective as of 1 January 2015.

The R&D&I Act (Act LXXVI of 2014) entered into force on 1 January 2015. Based on the new act, a previously set forth (but no longer effective) form of innovation contribution exemption has been reinitiated.

According to the previously effective specific regulations (which were effective until the end of 2011), micro and small-sized enterprises had the opportunity to benefit from the innovation contribution exemption based solely on their net revenue, balance sheet total and the number of employees . As a result, the related status of the company did not have to be taken into consideration when determining the micro and small-sized status of the company. The R&D&I Act reinitiated this regulation as of 1 January 2015. Consequently, this “old—new” structure of the legislation allows the affected companies exemption from innovation contribution whether or not they are member of a company group.

## New US-Hungary Social Security Agreement

The US-Hungary Social Security Agreement (Agreement) was signed on Tuesday 3 February. The text of the Agreement is not available yet and the Agreement has to be ratified by both countries as required under their domestic legislation, by Congress in the United States and the Parliament in Hungary in order for it to become effective.

The timing of the ratification process for the Agreement to become effective is uncertain at this stage (it could vary from months to years). As an example of the ratification process, the most recent social security agreement the US concluded with Slovakia was signed in December 2012 and entered into force in May 2014.

As soon as the wording of the Agreement is available which we expect at the time the bill is submitted to the Hungarian Parliament, we will provide an update.

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