



## **THE CURRENT TAX SYSTEM IN HUNGARY**

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TPA offers an overview of the most important tax innovations. 2022 is bringing changes in the areas of taxes, duties and social contributions in all CEE and SEE countries. This summary covers the essential changes effective as of 2022.

### **Social Contribution Tax**

Social Contribution Tax payable by the employer based on gross salary has been reduced by 2,5 percentage points from 15,5% to 13% from 1st January 2022.

### **Vocational Training Contribution**

The 1,5% Vocational Training Contribution previously payable by the employer based on gross salary has been abolished as of 1st January 2022.

### **Local Business Tax**

Similar to 2021 the reduced Local Business Tax of 1% is also applicable for 2022 if the taxpayer qualifies as a small or medium sized enterprise as defined by law.

The taxpayers who used the reduced rate in 2021 for tax advance payment have no reporting obligation to the tax authority for 2022. The taxpayers who intend to use the reduced rate tax advance payments in 2022 for the first time have to report their choice to the tax authority by 25th February 2022.