

Payment facilities for private individuals, private entrepreneurs

During the payment facilities proceedings the National Tax and Customs Administration (NTCA) considers the economic difficulties caused by coronavirus epidemic hitting wide range of the taxpayers. These objective circumstances may adversely affect on the fulfilment of the obligations of tax payment (taxes, contributions, levies, surcharges and other debts being kept on registry by the NTCA) and to overcome this, the following *payment facilities* may be granted **on request** within the legislation framework:

- payment deferrals,
- instalment scheme ,
- tax reduction and tax waiver.

The request for payment deferral can be filed *by private entrepreneurs* using the form No. FAM01. The form is available at the link:

https://nav.gov.hu/nav/letoltesek/nyomtatvanykitolto_programok

The taxpayers not obliged to keep contact by electronic means may also opt for submitting the above claim electronically, through Ügyfélkapu ('Client Gate) or to send it in paper form by post or to fill in the form available in the menu *Adatlapok fizetési könnyítésre és/vagy mérséklésre irányuló kérelmek elbírálásához* ('Forms for requesting payment facilities and/or reduction') of the homepage of the NTCA at the below link:

https://nav.gov.hu/nav/letoltesek_egyeb/adatlap

The request shall be sent to the competent tax and customs directorate. The first instance proceeding performed based on the **request for payment deferral** filed by the private entrepreneur and private individual taxpayer is **duty exempt**.

The reduction or waiver of the payment obligation can only be granted for actual (overdue, not settled) debts. The tax (capital) debt may only be reduced (waived) for private individuals, but **the debt of the tax and contribution deducted from natural persons by the paying agent cannot be reduced (waived) in this sphere either**. The serious threat for subsistence, inability of performing the economic activity by private entrepreneurs is the condition of granting the reduction.

The existence of the temporary payment difficulty is the statutory requirement of granting payment facilities (instalment scheme, payment deferral). The payment difficulty caused by coronavirus epidemic is not an objective failure attributable to the taxpayer. With regard to this the NTCA may also grant the payment deferral, instalment scheme (or the combination of them: even settlement in instalments after deferral) on request free of charge.

The NTCA performs the examination of condition related to temporary payment difficulties on the basis of income and wealth situation of **private individual claimants** before the promulgation of the state of emergency; while, in the case of **applicants carrying out business activity**, this examination is performed on the basis of financial management data of the last business year preceding the year when the state of emergency was promulgated, without asking for data of balance sheet related to the current year.

If the taxpayers cannot fulfil the *ongoing payment facilities* due to their difficulties caused by the coronavirus epidemic they can request rescheduling their debt on this reason. The way is the same as explained above.

The taxpayers have the possibility at any time to fulfil early repayment of the ongoing payment facilities, settle their debts earlier than the granted deadline.

The Government makes temporarily also possible, with regard to the state of emergency, further payment facilities to be granted.

On request of the taxpayer, the NTCA shall **at one time**

- grant payment deferral regarding the tax amounting to HUF 5 million at most,
 - as long as 6 months, as maximum, or instalment payment for 12 months
- without surcharges, **including tax payment obligations of deducted type** as well.

A request must be submitted in the way described already above to claim the payment facility. Together with submission of the claim, it must be justified that you have payment difficulties, which can be traced back to the state of emergency.

If the subject of claim is payment facility, the taxpayer shall choose between payment instalments or payment deferral, combination of these two options cannot be granted.

Such a claim can be submitted **until the 30th day following the cessation of state of emergency**. The procedure is **free of duty**.

At this time, links in this informative sheet refer to documents in Hungarian language. In the near future, we shall publish the content of the Data Sheets to be submitted by taxpayers on our website in English language.