

## Tax advance declaration on claiming personal allowance

Year of submission of the statement:

(Before completing the form please read the guide for the declaration.)

The private individual making the declaration:

Modified declaration ☐

name .....

tax identification code:

In order to determine the tax advance on the income I request taking into account the personal allowance of severely disabled individuals.

### I. On the basis of a medical certificate I declare:

1. The starting date of the disability: ..... day..... month ..... year
2. The last date of the disability: ..... day..... month ..... year
3. The disability condition is final. ☐

### II. I receive a disability benefit. ☐

4. Number of the decision establishing the disability benefit:  
.....

### III. I receive a handicapped person's allowance. ☐

5. Number of the decision establishing the handicapped person's allowance:  
.....
6. Please take my declaration into account until it is withdrawn (I make a declaration of ongoing effect). ☐
7. I do not wish to claim the personal allowance as from the date of the declaration (nor for this month). ☐

### Declaration on the allowance that can be claimed abroad

8. I declare that I am entitled to enforce the personal allowance in Hungary, I do not (did not) claim the same or a similar allowance based on my income in a foreign state.

Date:.....

.....  
Private individual's signature

9. I have understood and taken note of the content of the private individual's declaration. I assess the private individual's tax advance in accordance with the declaration.

Name of the employer or payer determining the tax advance:

.....

Tax number of the employer assessing the tax advance:

Date:.....

.....

Official signature

# **Guide**

## **to the tax advance declaration claiming personal allowance**

### **What you need to know about the declaration**

#### **Who should this declaration be given to?**

For your employer or payer to deduct the tax advance from your remuneration, applying the personal allowance, please **complete two copies of this declaration and present it to your employer or payer.**

One copy of the declaration must be kept by the employer (payer) and the other by you until the end of the 5th year following the year in which the tax return is filed.

The employer or payer will take the declaration into account for payments made after receipt of the declaration within the tax year or, upon your request, on a continuous basis.

**The tax advance declaration can be given to employers and to payers** who provide you with **regular income subject to consolidation into the tax base**, for example under a contract of assignment.

From 2024 onwards, the tax advance declaration may be taken into account by the employer or payer who provides regular income on a continuous basis until the tax advance declaration is withdrawn (declaration of ongoing effect), this must be indicated in point 6. No new declaration is then required for the following year(s).

*If you take advantage of the personal allowance without a legal basis, and therefore you have an obligation to pay more than HUF 10,000 in your tax return, you will have to pay 12 per cent of this as a difference-penalty together with your tax arrears.*

#### **Who gets the allowance?**

The personal allowance can be claimed based on a **medical certificate for a severe disability** or a **decision** on entitlement to disability benefit or a handicapped person's allowance.

The medical certificate or decision does not have to be attached to the declaration, but the certificate must be kept within the limitation period. Anyone receiving disability benefit or a handicapped person's allowance can claim the personal allowance without a medical certificate.<sup>1</sup>

Anyone who suffers from one of the diseases listed in

- *Government Decree 335/2009 (29 December) on diseases classified as severe disability* and
- who receives disability benefit, or
- a handicapped person's allowance

qualifies as a severely disabled person.

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<sup>1</sup> The Decree of the Minister of Health (EüM) 49/2009 (29 December) provides for the classification and justification of a severe disability.

## How much is the allowance?

On the basis of the declaration, the employer (payer) reduces the basis of the tax advance by the amount of one third of the minimum wage rounded to HUF 100 per qualifying month, i.e. HUF 88900<sup>2</sup> per month in 2024.

## What income is involved?

The allowance is available on income included in the consolidated tax base, such as wages, taxable social security benefits, childcare allowance, other monthly or weekly wages, fees, consideration for personal services, rental income, other payments.

## How can several personal income tax allowances be claimed at the same time?

Order in which allowances may be claimed:

The personal allowance can be claimed as a tax-base reduction allowance **after** the allowance of mothers raising four or more children, the allowance for young people under the age of 25, the allowance for mothers under the age of 30 and **before** the allowance for young couples in first marriage and the family allowance.

## What to do when data change?

If the information provided in the declaration changes, **you are required to make a new declaration without delay** - you will have to mark this with an X in the code box labelled **"Modified declaration"** in the top right-hand corner of the declaration.

If you no longer wish to claim the personal allowance (for example, because you are no longer eligible for the allowance or you wish to claim it in your tax return at the end of the year), you shall indicate this in line 7. If you change employer over the year and make a new declaration, **this will not be considered as a modified declaration**.

You can find more information about this allowance on the NTCA website ([www.nav.gov.hu](http://www.nav.gov.hu)) in Information Booklet no. 73 titled "Personal income tax - tax base allowances". (This is available in Hungarian only.)

## Under what conditions can a foreign individual claim the allowance?

You can only claim personal allowance, **if – you have not received or are not receiving** the same or a similar **allowance** for the same period **in another state**, where your income from self-employment, from non-self-employment, pension and other similar income from previous employment is taxable – under the provisions of international double taxation conventions.

A foreign tax resident private individual can claim the allowance in Hungary only if **75%** of all their income earned in the tax year, including income that is not taxable in Hungary, **is taxed in Hungary**. The total income earned in a tax year includes income from self-employment and non-self-employment, including in particular entrepreneurial income and the entrepreneurial dividend base or flat tax base, as well as pensions and other similar income from previous employment, regardless of the country in which they are taxable.

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<sup>2</sup> In 2024, the amount of the monthly minimum wage is HUF 266800.

If you are a foreign tax resident, you must also complete the declaration titled “Supplementary declaration for foreign tax resident private individuals for claiming tax base allowance” and give it to the employer, person providing income or payer providing regular income to claim the personal allowance. The tax identification code shall also be entered in this case.

### Completing the tax advance declaration

**Point 1:** the starting date of status of disability must be indicated on the declaration based on the content of the medical certificate. The personal allowance can be applied for the first time in the month of the starting day of the disability.

**Point 2:** the last day of the disability status should be indicated if it is temporary. The personal allowance can be applied for the last time in the month in which the disability terminates. If you do not fill in this line, your payer will apply the personal allowance for the entire tax year from the month in which the disability begins.

**Point 3:** indicate here if the disability status is definitive on the basis of a medical certificate.

**Point 4:** if you are making a declaration as a private individual receiving disability benefit, you must include the number of the decision establishing the benefit. The conditions for entitlement to disability benefit are laid down in the *Decree of the Council of Ministers 83/1987 (27 December)*.

**Point 5:** if you are receiving a handicapped person’s allowance you must indicate the number of the decision establishing it.

**Point 6:** this is where you can ask for the declaration to continue to be considered as long as you do not ask for your previous declaration to be disregarded.

**Point 7:** this is where you can indicate if you do not claim the personal allowance from the month in which the declaration was made. In such a case, you must indicate with an X in the top right-hand corner of the declaration that you are submitting a modified declaration.

**Point 8:** in this point, you will have to declare that you have not received and will not receive the same or similar **allowances** for the same period in another state.

**Point 9:** this section is filled in by your employer or payer.