

Personal income tax base allowances

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Allowance for mothers under the age of 30, allowance for mothers raising four or more children, allowance for mothers raising three children, allowance for mothers raising two children, allowance for those eligible for infant-care benefit, child-care benefit and adoption allowance, allowance for young people under the age of 25, personal allowance, allowance for young couples in first marriage, family allowance

The consolidated tax base of individuals can be reduced by various allowances. These include the allowance for mothers under the age of 30, the allowance for mothers raising four or more children, or the allowance for mothers raising three children, the allowance for mothers raising two children, the allowance for those eligible for infant-care benefit, child-care benefit and adoption allowance, the allowance for young people under the age of 25, the personal allowance, the allowance for young couples in first marriage and the family allowance. This information booklet summarizes who is eligible for each allowance and how to claim it.

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1. The order in which tax base allowance may be claimed

The taxpayer may be eligible for various allowances, so it is important to clarify in which order the allowances can be deducted from the tax base.

From 1 January 2026, the rules governing the tax allowance for mothers under the age of 30 have been revised for the better, and the scope of tax base allowances has been expanded to include an allowance for mothers raising two children.

From 1 January 2026, tax base allowances may be claimed in the following order.

1. allowance for mothers under the age of 30
2. allowance for mothers raising four or more children, allowance for mothers raising three children, or allowance for mothers raising two children,
3. allowance for those eligible for infant-care benefit, child-care benefit and adoption allowance,
4. allowance for young people under the age of 25
5. personal allowance,
6. allowance for young couples in first marriage,
7. family allowance.

2. Allowance for mothers under the age of 30¹

Under the revised rules effective from 1 January 2026, the tax allowance for mothers under the age of 30 may be claimed before any other allowances, even during the tax year, when the tax advance is assessed.

2.1 Who is eligible for the allowance?

From 2026, the group of people eligible for the tax allowance has been expanded. A woman who gives birth to a child is considered a mother under the age of 30 if she turns the age of after 31 December of the year preceding the tax year.

Mothers under the age of 30 are eligible for the tax allowance if, during the tax year, they are **eligible for claiming family allowance**

- with regard to **the biological or adopted child** according to Section 29/A (3) a) of the Personal Income Tax Act, or
- with regard to **the fetus** according to Section 29/A (3) b) of the Personal Income Tax Act.

¹ Act XIII of 2025 on the Allowance for Mothers Under the Age of 30.

Under the terms described above, mothers under the age of 30 who became eligible for the family tax allowance before 2023 may also claim the benefit. For example, a 29-year-old mother who gave birth to her first child in 2022 is eligible for the allowance for mothers under 30 starting in 2026.

Another change is that, under the rules effective starting in 2026, eligibility for the family tax allowance does not have to be established before the individual turns age 30 so, for example, a mother who turns 30 in February 2026 can claim the benefit in 2026, even though her eligibility for the family allowance in relation to her unborn child does not begin until May of that year.

A mother under the age of 30 becomes eligible for the tax allowance if:

- her pregnancy reaches the 91st day,
- she gives birth to a child,
- she adopts a child.

A mother under the age of 30 is eligible for the tax allowance in 2026, for example, if:

- she is raising two minor children,
- she reaches the 91st day of her pregnancy on 8 February, or
- she adopts her husband’s child on 6 August.

A mother is not eligible for the tax allowance in 2026, for example, if

- she turns the age of 31 during the tax year,
- she is raising two children as a foster parent,
- she is raising, together with her spouse, two children from her husband’s previous relationship, unless she has adopted them.

2.2 The rate of the allowance

Starting in 2026, there is no limit on the amount of the tax allowance for mothers under the age of 30, so it can be applied to all income that qualifies as the basis for the tax allowance.

2.3 The basis of the allowance

Allowance for mothers under the age of 30 can be claimed on the following income earned in the months of eligibility (in the case of income from employment, accounted for in the months of eligibility):

- income from wage and other non-self-employment activity, for example particularly:
 - income from employment, public employment relationship,

- taxable social security benefits (such as sick pay, infant care allowance, childcare allowance),
 - taxable benefits paid under the Act on Social Administration and Social Benefits,
 - job-seeker's allowance, pre-pension job seeker's allowance, job seeker's benefit, income supplement, income compensation benefit and incentive benefit provided to job seekers paid under the Act on the Promotion of Employment and Unemployment Benefits,
 - the income of a private person performing reserve military service in the Hungarian Defence Forces,
 - compensation to replace income as defined above (income supplement allowance),
 - remuneration for the activity of foster parent,
 - a statutory severance payment in connection with termination of employment, but the part of the severance payment exceeding the statutory amount is not eligible for the allowance,
 - income paid to an individual member of a partnership in return for personal contributions,
 - an allowance for the activities of an executive officer of a company,
 - remuneration received in return for the services of an officer elected or appointed under the law (e.g. board member, supervisory board member),
 - under an international treaty, income from non-self-employment or, failing that, from employment under the law of that state,
 - the income of Members of Parliament, nationality representatives and mayors from these activities,
 - income from the state project appraisal contract.
- Income from self-employment:
 - the entrepreneurial withdrawal of a self-employed person who is taxed on entrepreneurial income or, in the case of flat-rate taxation, on his/her flat-rate income,
 - the income of the licensed traditional small-scale producer from these activities,
 - the income of the Member of the European Parliament from these activities,
 - the local government representative's income from these activities,
 - the income of the appointed bookkeeper from these activities,

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- income from other remunerated employment contracts (e.g. assignments) entered into by an individual not being self-employed.

2.4 Month of eligibility

The new rules took effect on 1 January 2026. Under a transitional provision, the tax allowance can be applied to income earned after 31 December 2025; in the case of income from employment, it applies to income accounted for in the period following 31 December 2025.

The month of eligibility is the month in which a mother under the age of 30 is eligible for the family allowance in respect of her biological or adopted child or her unborn child.

The tax allowance can be claimed until the last month of eligibility in the year in which the mother turns the age of 30.

For example, if

- a 24-year-old woman reaches the 91st day of her pregnancy on 4 April 2026, her eligibility shall commence in April;
- the mother reaches the 91st day of conception on 8 January 2026, turns the age of 30 on 8 March, and her child is born on 24 June, then she is eligible for the allowance from the month of the 91st day of conception, i.e., January, through December 2026.

If the eligibility for the allowance for mothers under the age of 30 does not exist in the whole of the tax year and the income from self-employment included in the consolidated tax base and earned during the months of eligibility cannot be determined otherwise, it must be taken into account as a proportion of the income earned in the tax year under this heading in proportion to the months of eligibility.

2.5 Claiming the allowance

The allowance can be claimed during the year and at the end of year in the personal income tax return.

The allowance can be claimed during the year in an advance tax declaration provided to the employer/payer.

For more information on how to claim the allowance during the year, please consult point 13 ("Claiming the allowance during the year").

Self-employed persons and the licensed traditional small-scale producers claim the allowance when calculating the advance tax.

If a mother under the age of 30 is eligible during the eligibility period for the allowance for mothers raising two, three, four, or more children, the allowance related to infant care benefit, child-care benefit, or the adoption allowance, or the allowance for young people under the age of 25, she cannot claim these allowances. The reason for this is that, in the order of priority for applying these allowances, the allowance for mothers under 30 is applied first and has no value limit, leaving no taxable income base for applying the rest of the allowances.

The personal allowance and the allowance for young couples in first marriage can be claimed if the individual has an income included in the consolidated tax base on which the allowance for mothers under the age of 30 cannot be claimed. One example for this is the income from renting out real estate.

The mother under the age of 30 can claim the family allowance even if her advance tax base has been reduced to zero, as there is no obstacle to claiming family contribution allowance on her income.

The allowance can be claimed at the end of year in the tax return. If the mother under the age of 30 asked the employer or payer to claim the allowance during the year, it will be included in the draft tax return (pre-filled tax return) for the tax year.

3. Allowance for mothers raising four or more children²

The allowance for mothers raising four or more children (Hungarian abbreviation: 'NÉTAK') can be claimed by the eligible mother on each income included in the consolidated tax base, starting from 2026, following the tax allowance for mothers under the age of 30, before any other allowances.

The eligible mother can claim the allowance without any limit on the amount of the income on which the allowance is based in each month of eligibility.

The allowance can be claimed during the year upon the determination of the advance tax, or at the end of the year when submitting the tax return. For more information on how to claim the allowance during the year, please consult point 13 ("Claiming the allowance during the year").

² Section 29/D of Act CXVII of 1995 on the Personal Income Tax (hereinafter referred to as the Personal Income Tax Act).

3.1 Who is eligible for NÉTAK?

A mother raising four or more children (hereinafter referred to as NÉTAK mother) means a **woman** who is eligible for the following **as a birth or adoptive parent** for the child she is raising:

- a) **child benefit**, or
- b) she is not eligible for child benefit anymore, but **her eligibility existed for at least 12 years**,
- c) the eligibility for child benefit terminated due to the child's death.

and the **number of children** referred to in point a), b) and c) **is four**.

A child who is receiving care in a social institution as a disabled person shall also be considered a child within the meaning of point (a), and the mother shall not be entitled to child benefit for the child, but the child shall be taken into account in determining the amount of child benefit to which the mother is entitled.

A child within the meaning of point (b) shall be considered to be a child in respect of whom the mother or the head of the social institution is no longer entitled to child benefit but who has been entitled for at least 12 years to child benefit for one or both of these persons, or for both of them in total, provided that the conditions set out in the preceding sentence have been met during the eligibility period of the head of the social institution.

For example, NÉTAK mother is a woman who

- raises her children of age 3, 6, 9, 12 in her own household,
- gave birth to four children, three of whom she raised (now adults), one deceased,
- gave birth to five children, got divorced from her husband when the two oldest children were 16 and 14 years old, and the three younger children stayed with the mother, while the two older went to the father,
- gave birth and raises/raised three children (the oldest works, moved out of the family home, the middle one goes to university, the third one goes to high school), and earlier adopted a 3-year-old girl who moved out of the family home at the age of 22.

A woman cannot be considered as NÉTAK mother who, for example,

- gave birth to four children, but her 10-year-old daughter stayed with the father when they got divorced,

- raises four children with her second husband, two of whom are her own, two of whom are her husband's.

3.2 Eligibility period

NÉTAK can be claimed for the months where the eligibility exists. The eligibility applies to a whole month, so if a woman **considered as NÉTAK mother for even a day**, then she can claim the allowance for the whole month.

The eligibility **starts** on the first day of the month in which the mother can first be considered as a NÉTAK mother.

For example, if a mother raises three children, and she gives birth to her fourth children in April, the start date of eligibility is 1 April.

The eligibility **terminates** on the last day of the month in which the mother can last be considered as a NÉTAK mother.

For example, if the parents raise their children of age 3, 6, 9 and 12 in their own household, then they get divorced in May and the 6-year-old child stays with the father. In this case, the mother is eligible for the allowance until 31 May.

If the eligibility for the allowance does not exist in the whole of the tax year and the income from self-employment included in the consolidated tax base earned during the eligibility period cannot be determined otherwise, it must be taken into account as a proportion of the income for the tax year earned under this heading in proportion to the months of the eligibility period.

For example, a mother is a member of a licensed traditional small-scale producer. She gives birth to her fourth child in April, so she becomes a NÉTAK mother from this month. As her income can be determined at the end of the year, 3/12 of the earned income - from January to March - is subject to tax, the remaining 9/12 - from April to December - forms the base of the NÉTAK, so it is tax-free.

If after the sharing of income and expenses the mother's tax-year income is HUF 6 million, then:

- taxable income $6,000,000/12*3=\text{HUF } 1,500,000$,
- NÉTAK income $6,000,000/12*9=\text{HUF } 4\,500\,000$.

3.3 The basis of the allowance

NÉTAK **can be claimed** for the following types of income.

Income from wage and other non-self-employment activity, for example:

- income from employment, public employment relationship,

- taxable social security benefits (such as sick pay, infant care allowance, childcare allowance),
- taxable benefits paid under the Act on Social Administration and Social Benefits,
- job-seekers' allowance, pre-pension job-seekers' allowance, job seekers' benefit, income supplement allowance, income compensation benefits and incentive benefits provided to job seekers paid under the Act on the Promotion of Employment and Unemployment Benefits;
- the income of a private person performing reserve military service in the Hungarian Defence Forces;
- compensation to replace income as defined above (income supplement allowance),
- remuneration for the activity of foster parent,
- a statutory severance payment in connection with termination of employment (the part of the severance payment exceeding the statutory amount is not eligible for the allowance),
- income paid to an individual member of a partnership in return for personal contributions,
- an allowance for the activities of an executive officer of a company,
- remuneration received in return for the services of an officer elected or appointed under the law (e.g. board member, supervisory board member),
- under an international treaty, income from non-self-employment or, failing that, from employment under the law of that state,
- the income of Members of Parliament, nationality representatives and mayors from these activities,
- income from the state project appraisal contract.

Income from self-employment:

- the entrepreneurial withdrawal of a self-employed person who is taxed on entrepreneurial income or, in the case of flat-rate taxation, on his/her flat-rate income;
- the income of the licensed traditional small-scale producer from these activities;
- the income of the Member of the European Parliament from these activities;
- the local government representative's income from these activities;
- the income of the appointed bookkeeper from these activities;

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- income from other remunerated employment contracts (e.g. assignments) entered into by an individual not being self-employed.

Other than those listed, NÉTAK cannot be claimed on other income, such as rental income or income from another individual.

If the individual is engaged in an activity for which part of their income is eligible for the allowance but not the other part, the income on which the NÉTAK is based must be calculated on a pro rata basis.

For example, a mother under NÉTAK makes decorative candles. She signs a contract with a company to make 200 decorative candles at a price of HUF 1,000 each, which will generate an income of HUF 200,000. The mother makes another 100 candles, which she sells on the market for HUF 1,500 each, making HUF 150,000. Since the total cost was HUF 100,000, thus the income is $(200,000+150,000-100,000 =)$ HUF 250,000.

This income must be shared in proportion to income:

- Forms the base of NÉTAK $250,000/350,000 \times 200,000 =$ HUF 142,857
- Taxable income $250,000/350,000 \times 150,000 =$ HUF 107,143

4. Allowance for mothers raising three children³

From 1 October 2025, mothers raising three children are eligible for a new tax allowance. Mothers raising three children may apply this allowance to certain types of income included in the consolidated tax base, starting in 2026, following the allowance for mothers under the age of 30 and before any other allowances.

The eligible person may claim the tax allowance without any limit on the amount of all income earned during the eligibility month that forms the basis for the allowance (in the case of income from employment, income accounted for the eligibility period).

The tax allowance can be claimed during the year, when the tax advance is assessed, or at the end of the year, when the tax return is filed.

For more information on how to claim the allowance during the year, please consult point 13 ("Claiming the allowance during the year").

³ Act XV of 2025 on the Tax Allowance for Mothers Raising Three Children. Effective from 1 October 2025.

4.1 Who is eligible for the tax allowance for mothers raising three children?

A mother raising three children is a **woman** who, as a **biological or adoptive parent**, under Act LXXXIV of 1998 on Family Support (hereinafter: Cst.) for the child she is raising, is

- a) **eligible to family allowance**, or
- b) is no longer eligible to family allowance, but **was eligible for it for at least 12 years**,
- c) her eligibility for family allowance ceased due to the child's death

and **the number of children** referred to in points a), b), and c) **totals three**.

A child referred to in point a) shall also mean a child who, as a person with a disability, receives care in a social institution; the mother is not eligible for family allowance for that child, but the child is taken into account when assessing the amount of family allowance to which the mother is eligible.

A child under point b) shall mean a child for whom the mother or the director of a social institution is no longer eligible for family allowance, but for whom such eligibility existed for a total of at least 12 years with either or both of these persons, provided that the conditions set forth in the preceding sentence were met during the eligibility period of the director of the social institution.

For example, a mother raising three children is a woman who:

- raises her 6-, 9-, and 12-year-old children in her own household,
- gave birth to three children, two of whom she raised (who are now adults), while one died during the period of eligibility for family allowance,
- has given birth to and is raising two children, and previously adopted her husband's 3-year-old daughter, who moved out of her mother's home at her age of 24.

4.2 Eligibility period

The tax allowance for mothers raising three children is available for those months in which eligibility continues to exist. Eligibility applies to the entire month; that is, if a woman **is considered a mother of three children for even a single day** in a given month, she may claim the allowance for the entire month.

Eligibility begins on the first day of the month in which the mother first qualifies as a mother raising three children.

For example, if a mother of two children gives birth to her third child on 7 November, she is eligible for the tax allowance from 1 November.

Eligibility **ceases** on the last day of the month in which the mother is last considered to be a mother raising three children.

For example, if parents are raising their 6-, 9-, and 12-year-old children in their own household, then divorce in May, and the 6-year-old child goes to live with the father, the mother is eligible for the tax allowance until 31 May.

If eligibility for the tax allowance does not continue throughout the entire tax year, and the income derived from independent activities included in the consolidated tax base and earned during the eligibility period cannot be determined otherwise, such income earned during the tax year must be taken into account as a portion proportional to the number of months in the eligibility period.

4.3 The basis of the allowance

The allowance for mothers raising three children **can be claimed** for the following income:

- **income from wage and other non-self-employment activity**, for example particularly:
 - income from employment, public employment relationship,
 - taxable social security benefits (such as sick pay, infant care benefit, childcare benefit),
 - taxable benefits paid under the Act on Social Administration and Social Benefits,
 - job-seeker's allowance, pre-pension job-seekers' allowance, job seeker's benefit, income supplement, income compensation benefit and incentive benefit provided to job seekers paid under the Act on the Promotion of Employment and Unemployment Benefits;
 - the income of a private person performing reserve military service in the Hungarian Defence Forces;
 - compensation to replace income as defined above (income supplement allowance),
 - remuneration for the activity of foster parent,
 - a statutory severance payment in connection with termination of employment, but the part of the severance payment exceeding the statutory amount is not eligible for the allowance,
 - income paid to an individual member of a partnership in return for personal contributions,
 - an allowance for the activities of an executive officer of a company,

- remuneration received in return for the services of an officer elected or appointed under the law (e.g. board member, supervisory board member),
 - under an international treaty, income from non-self-employment or, failing that, from employment under the law of that state,
 - the income of Members of Parliament, nationality representatives and mayors from these activities,
 - income from the state project appraisal contract.
- **Income from self-employment:**
 - the entrepreneurial withdrawal of a self-employed person who is taxed on entrepreneurial income or, in the case of flat-rate taxation, on his/her flat-rate income,
 - the income of the licensed traditional small-scale producer from these activities,
 - the income of the Member of the European Parliament from these activities,
 - the local government representative's income from these activities,
 - the income of the appointed bookkeeper from these activities,
 - income from other remunerated employment contracts (e.g. assignments) entered into by an individual not being self-employed.

The tax allowance for mothers raising three children does not apply to income other than that listed above—such as income from renting out a property, income from other individuals, or other types of income.

If an individual engages in an activity for which the tax allowance applies to part of their income but not to another part, the income forming the basis for the tax allowance for mothers raising multiple children must be calculated on a pro rata basis.

For example, a mother raising three children makes decorative wreaths for walls, doors, and tables by order for businesses. Her income is HUF 600,000 from January through 30 September, and HUF 400,000 from October through December.

Since the total expenses were HUF 500,000, the income is $(600,000 + 400,000 - 500,000 =)$ HUF 500,000.

This income must be apportioned by the ratio of the revenues:

- the basis for the tax allowance is $500,000/1,000,000 \times 400,000 =$ HUF 200,000
- taxable income is $500,000/1,000,000 \times 600,000 =$ HUF 300,000.

5. Allowance for mothers raising two children⁴

From 1 January 2026, mothers raising two children are eligible for a new tax allowance. Mothers raising two children may apply this allowance to certain types of income included in the consolidated tax base, following the allowance for mothers under the age of 30 and before any other allowances.

The tax allowance is introduced gradually. In 2026, mothers who turn age 40 after 31 December 2025—that is, those born in 1986 or later—will be eligible for the tax allowance.

Under a transitional provision, the tax allowance can be applied to income earned after 31 December 2025; in the case of income from employment, it applies to income accounted for in the period following 31 December 2025.

The eligible person may claim the tax allowance without any limit on the amount of all income earned during the eligibility month that forms the basis for the allowance (in the case of income from employment, income accounted for the eligibility period).

The tax allowance can be claimed during the year, when the tax advance is assessed, or at the end of the year, when the tax return is filed.

For more information on how to claim the allowance during the year, please consult point 13 ("Claiming the allowance during the year").

5.1 Who is eligible for the tax allowance for mothers raising two children?

A mother raising two children is a **woman** who, as a **biological or adoptive parent**, under the Cst. act, for the child she is raising, is

- a) **eligible to family allowance**, or
- b) is no longer eligible to family allowance, but **was eligible for it for at least 12 years**,
- c) her eligibility for family allowance ceased due to the child's death

and **the number of children** referred to in points a), b), and c) **totals two**.

A child referred to in point a) shall also mean a child who, as a person with a disability, receives care in a social institution; the mother is not eligible for family allowance for that child, but the child is taken into account when assessing the amount of family allowance to which the mother is eligible.

⁴ Act XIV of 2025 on the Tax Allowance for Mothers Raising Two Children. Effective: 1 January 2026.

A child under point b) shall mean a child for whom the mother or the director of a social institution is no longer eligible for family allowance, but for whom such eligibility existed for a total of at least 12 years with either or both of these persons, provided that the conditions set forth in the preceding sentence were met during the eligibility period of the director of the social institution.

For example, a mother raising two children is a woman who:

- raises her 6- and 9-year-old children in her own household,
- gave birth to two children, one is in nursery school, and the other passed away during the period of eligibility for family allowance,
- adopted her husband's 3-year-old daughter, whom she is raising alongside her biological child

5.2 Eligibility period

The tax allowance for mothers raising two children is available for those months in which eligibility continues to exist. Eligibility applies to the entire month; that is, if a woman **is considered a mother of two children for even a single day** in a given month, she may claim the allowance for the entire month.

Eligibility begins on the first day of the month in which the mother first qualifies as a mother raising two children.

For example,

- a mother raising two biological children is eligible for the tax allowance from 1 January 2026,
- if the mother gives birth to twins on 15 March, she is eligible for the tax allowance from 1 March,
- a married couple is raising their own child and then adopts a little girl in August; in this case, the mother is eligible for the tax allowance starting in August,

provided that the mother was born in 1986 or later.

Eligibility **ceases** on the last day of the month in which the mother is last considered to be a mother raising two children.

For example, if parents are raising their 6- and 9-year-old children in their own household, then divorce in April, and the 9-year-old child goes to live with the father, the mother is eligible for the tax allowance until 30 April.

If eligibility for the tax allowance does not continue throughout the entire tax year, and the income derived from independent activities included in the consolidated tax base and earned during the eligibility period cannot be determined otherwise, such

income earned during the tax year must be taken into account as a portion proportional to the number of months in the eligibility period.

5.3 The basis of the allowance

The allowance for mothers raising two children **can be claimed** for the following income:

- **income from wage and other non-self-employment activity**, for example particularly:
 - income from employment, public employment relationship,
 - taxable social security benefits (such as sick pay, infant care benefit, childcare benefit),
 - taxable benefits paid under the Act on Social Administration and Social Benefits,
 - job-seeker's allowance, pre-pension job-seekers' allowance, job seeker's benefit, income supplement, income compensation benefit and incentive benefit provided to job seekers paid under the Act on the Promotion of Employment and Unemployment Benefits;
 - the income of a private person performing reserve military service in the Hungarian Defence Forces;
 - compensation to replace income as defined above (income supplement allowance),
 - remuneration for the activity of foster parent,
 - a statutory severance payment in connection with termination of employment, but the part of the severance payment exceeding the statutory amount is not eligible for the allowance,
 - income paid to an individual member of a partnership in return for personal contributions,
 - an allowance for the activities of an executive officer of a company,
 - remuneration received in return for the services of an officer elected or appointed under the law (e.g. board member, supervisory board member),
 - under an international treaty, income from non-self-employment or, failing that, from employment under the law of that state,
 - the income of Members of Parliament, nationality representatives and mayors from these activities,
 - income from the state project appraisal contract.

- **Income from self-employment:**

- the entrepreneurial withdrawal of a self-employed person who is taxed on entrepreneurial income or, in the case of flat-rate taxation, on his/her flat-rate income,
- the income of the licensed traditional small-scale producer from these activities,
- the income of the Member of the European Parliament from these activities,
- the local government representative's income from these activities,
- the income of the appointed bookkeeper from these activities,
- income from other remunerated employment contracts (e.g. assignments) entered into by an individual not being self-employed.

The tax allowance for mothers raising two children does not apply to income other than that listed above—such as income from renting out a property, income from other individuals, or other types of income.

If an individual engages in an activity for which the tax allowance applies to part of their income but not to another part, the income forming the basis for the tax allowance for mothers raising multiple children must be calculated on a pro rata basis.

For example, a mother raising three children makes decorative wreaths for walls, doors, and tables by order for businesses. Her income is HUF 600,000 from January through 30 September, and HUF 400,000 from October through December.

Since the total expenses were HUF 500,000, the income is $(600,000 + 400,000 - 500,000 =)$ HUF 500,000.

This income must be apportioned by the ratio of the revenues:

- the basis for the tax allowance is $500,000/1,000,000 \times 400,000 =$ HUF 200,000
- taxable income is $500,000/1,000,000 \times 600,000 =$ HUF 300,000.

6. Allowance for those eligible for infant-care benefit, child-care benefit and adoption allowance⁵

From 1 July 2025 onwards, individuals receiving the infant care benefit (CSED), childcare benefit (GYED), adoption allowance, or multiple benefits simultaneously, may reduce their consolidated tax base by the amount of benefits of CSED, GYED, or the adoption allowance.⁶

⁵ Act XVI of 2025 on the Tax Allowance for Those Eligible for Infant-care Benefit, Child-care Benefit and Adoption Allowance.

⁶ In the case of CSED, GYED, or adoption allowance paid pursuant to Sections 40–42/H of Act LXXXIII of 1997 on the Services of the Compulsory Health Insurance System.

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This allowance can be claimed after the allowance for mothers under the age of 30 and the allowance for mothers raising two, three, four, or more children, but before the allowance for young people under the age of 25, the personal allowance, the allowance for young couples in first marriage, and the family allowance.

The amount of the applicable allowance is equal to the amount of the CSED, GYED, or adoption allowance. If an individual receives multiple types of benefits at the same time, the allowance may be claimed for each benefit.

The agency responsible for disbursing CSED, GYED, or the adoption allowance (health insurance agency or family support payment office) automatically takes into account the amount of the tax allowance or allowances when assessing and paying the benefits and provides the individual with a certificate to that effect.

This means that the individual does not need to apply for the allowance in their tax advance statement; the paying agency automatically applies it when the benefit is paid.

An individual claiming a tax allowance on the basis of child-care benefit may request, in a tax advance statement submitted to the paying agency, that the family contribution allowance be applied—in the absence of a taxable income—up to the amount of the pension contribution on the benefit. In the case of CSED and adoption allowances, the benefit is not subject to social security contributions; therefore, it is not possible to claim the family tax allowance as a contribution allowance.

7. Allowance for young people under the age of 25⁷

A young person under the age of 25 can reduce their consolidated tax base with the allowance for young people under 25 (hereinafter referred to as allowance for young people).

The young person eligible for the allowance does not have to pay personal income tax up to the monthly amount of the allowance during the eligibility period on their income included in the consolidated tax base as defined by law.

The allowance for young people may be claimed after the allowance for mothers under the age of 30, the allowance for mothers raising two, three, four, or more children, the infant care benefit, the child-care benefit and the adoption allowance and before the personal allowance, the allowance for young couples in first marriage, and the family allowance.

7.1 The basis of the allowance

The allowance for young people can be claimed for the following income during the eligibility period as defined by law:

⁷ Section 29/F of the Personal Income Tax Act.

- **income from wage and other non-self-employment activity**, for example particularly:
 - income from employment, public employment relationship,
 - taxable social security benefits (such as sick pay, infant care allowance, childcare allowance),
 - taxable benefits paid under the Act on Social Administration and Social Benefits,
 - job-seeker's allowance, pre-pension job-seekers' allowance, job seeker's benefit, income supplement allowance, supplementary allowance to replace earnings and job-search incentive allowance paid under the Act on the Promotion of Employment and Unemployment Benefits;
 - the income of a private person performing reserve military service in the Hungarian Defence Forces;
 - compensation to replace income as defined above (income supplement allowance),
 - remuneration for the activity of foster parent,
 - a statutory severance payment in connection with termination of employment, but the part of the severance payment exceeding the statutory amount is not eligible for the allowance,
 - income paid to an individual member of a partnership in return for personal contributions,
 - an allowance for the activities of an executive officer of a company,
 - remuneration received in return for the services of an officer elected or appointed under the law (e.g. board member, supervisory board member),
 - under an international treaty, income from non-self-employment or, failing that, from employment under the law of that state,
 - the income of Members of Parliament, nationality representatives and mayors from these activities,
 - income from the state project appraisal contract.

- **Income from self-employment:**
 - the entrepreneurial withdrawal of a self-employed person who is taxed on entrepreneurial income or, in the case of flat-rate taxation, on his/her flat-rate income,
 - the income of the licensed traditional small-scale producer from these activities,
 - the income of the Member of the European Parliament from these activities,
 - the local government representative's income from these activities,
 - the income of the appointed bookkeeper from these activities,
 - income from other remunerated employment contracts (e.g. assignments) entered into by an individual not being self-employed.

The **allowance can only be claimed on the income earned in the month of eligibility**. If the eligibility of the individual terminates throughout the year and they could not claim their available allowance in full on their income earned in the months of eligibility, then they cannot claim the remaining part on the income earned in the other months.

If the eligibility does not exist in the whole of the tax year and the income from self-employment earned during the months of eligibility cannot be determined otherwise, it must be taken into account as a proportion of the income earned in the tax year under this heading in proportion to the months of eligibility.

7.2 Amount of allowance

The maximum monthly amount of the allowance for young people under 25 years of age is the average gross monthly wage for full-time employees, as published by the Central Statistical Office in the Official Gazette for the month of July of the year preceding the year in question. **In 2026, the monthly amount of the allowance is HUF 715,765, which may reduce the tax payable by HUF 107,365.**

The amount of the allowance to which the beneficiary is eligible in the tax year is the income on which the allowance is based, however, not more than the product of the number of months of eligibility and HUF 715,765 in 2026. If the eligibility is for the whole tax year, the taxable amount may be reduced by a maximum of HUF 8,589,180, which is HUF 1,288,377 in terms of the amount of the tax.

The months considered as months of eligibility are those in which the young person has not reached the age of 25, the last month being the month in which the young person reached the age of 25.

7.3 Claiming the allowance

If the individual is entitled to the allowance for young people, it will automatically be taken into account by the employer or payer during the year until the young person declares that he/she does not wish to receive it, in whole or in part.

The young person does not have to give a statement to his/her employer or payer if he/she asks for the allowance to be claimed, but if he/she decides not to claim all or part of the allowance.

The allowance for young people can be claimed in the tax return. If the eligibility exists, then the National Tax Administration will indicate the amount of allowance to which the young person is entitled in the draft tax return based on the available data.

8. Personal allowance⁸

Personal tax allowances can be claimed *after* the tax allowance for mothers under the age of 30, the tax allowance for mothers raising two, three, four, or more children, the allowances for those eligible for infant care benefit, child-care benefit and adoption allowance, the allowance for young people, and *before* the allowance for young couples in first marriage or the family allowance, even during the year, when the tax advance is determined.

The amount of the allowance is equal to one third of the minimum wage per month of eligibility, rounded up to HUF 100, i.e. HUF 107,600 per month in 2026⁹, which represents a tax saving of HUF 16,140. If the eligibility exists for the whole tax year, then the consolidated tax base can be reduced by HUF 1,291,200 in the whole year. It means HUF 193,680 in taxes.

A severely disabled person is a person who

- suffers from one of the diseases listed in *Government Decree No. 335/2009. (XII. 29.) concerning diseases that constitute severe disability*, and
- receives disability pension or
- disability allowance.

The personal allowance can be claimed **on the basis of a medical certificate of severe disability** or a **decision** on entitlement to a disability pension or disability allowance. The medical certificate or decision does not have to be attached when filing the advance tax return, but the certificate must be kept within the limitation period. **Those who are in receipt of a disability pension or disability allowance can claim the personal allowance without a medical certificate.** Proof of the allowance is *provided for in Decree No. 49/2009. (XII. 29.) of the Ministry of Health on the classification and proof of severe disability.*

The allowance is **available for the months affected by the disability.** The start date of disability is included in the medical certificate. The first month in which the personal allowance is taken into account is the month in which the disability starts. If the disability is **temporary**, the last month in which the personal allowance can be taken into account is the month in which the disability ceases.

⁸ Section 29/E of the Personal Income Tax Act.

⁹ The monthly minimum wage in 2026 is HUF 322,800.

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If the individual is in receipt of a **disability pension¹⁰ or disability allowance**, the allowance is payable for each month in which the benefit or allowance is paid. The eligibility for the allowance can be certified with the decision on the allowance.

Those eligible can claim the allowance even during the year when the advance tax is assessed. For more information on this, please refer to point 13 ("Claiming the allowance during the year").

9. Allowance for young couples in first marriage¹¹

The allowance for young couples in first marriage allows an eligible individual to reduce his/her consolidated tax base, even during the year, when the advance tax is calculated, in the order following the allowance for mothers under the age of 30, the allowance for mothers raising two, three, four, or more children, the allowance for those eligible for infant care benefit, child-care benefit and adoption allowance, the allowance for young people, and the personal allowance, but preceding the family allowance. The latter is important because if an individual is eligible for both allowances and does not have a sufficient tax base, **he/she can claim the family contribution allowance** if he/she can no longer claim the family allowance under the Personal Income Tax Act due to a lack of tax base.

To qualify for the allowance for young couples in first marriage, **at least one member of the couple must be married for the first time**. This means that a member of the couple who is not married for the first time is also entitled to claim and share this allowance. **There is no age limit to qualify for the allowance**. The provisions applicable to spouses also apply to registered partners, so the term spouse is also used to include registered partners.¹²

The amount of the newlywed allowance that can be claimed jointly by spouses is **HUF 33,335** per month of eligibility, which means that the amount of tax they have to pay is reduced by HUF 5,000.

The month of eligibility is the 24 months following the month of the marriage during the period of cohabitation. This means that a couple married on 3 January 2026 can claim the allowance from February 2026 until the end of January 2028. As the allowance can only be claimed during the period of cohabitation, the eligibility will expire within the 24-month period if the couple divorces or one of the spouses dies.

¹⁰ The conditions of the eligibility are determined by the Decree No. 83/1987. (XII. 27) of the Council of Ministers.

¹¹ Section 29/C of the Personal Income Tax Act.

¹² Section 3 (1) of Act XXIX of 2009 on Registered Partnerships, amending certain acts related thereto and amending certain acts necessary to facilitate the certification of registered partnerships.

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If both members of the couple eligible for the allowance for young couples in first marriage are under the age of 25, the first month they can claim for the newlywed allowance is the month preceding the month in which one of the spouses reaches the age of 25.¹³

If one party is aged 25 at the time of marriage and the other is not, this rule does not apply.

For example, they get married on 8 January 2026. The husband will be 25 in April, the wife in July. The couple can claim the allowance for young couples in first marriage from May 2026 to April 2028.

However, if they get married in April, then the newlywed allowance can generally be claimed from May, the month after the marriage.

Under a transitional rule, if the marriage of a young person under the age of 25 took place before December 2021 and the young person had already claimed the newlywed allowance, the allowance was to be suspended from 1 January 2022. In this case, for the remaining months of the eligibility period of the newlywed allowance, the allowance is available from the month following the month in which one spouse turns 25.¹⁴

For example, if the date of marriage was 4 June 2021, the newlywed allowance would be valid for the months of July to December 2021, but not for January 2022. If one of them turns 25 on 5 August 2026, they will be able to claim the newlywed allowance for the remaining 18 months from September. The person claiming it must then submit an advance tax declaration of the newlywed allowance to the employer paying regular income.

The newlywed allowance is **claimed jointly by the spouses**. This can be done by splitting the HUF 33,335 between them, or by one of them taking the allowance. When claiming jointly, the couple pays HUF 5,000 less tax per month. The joint claiming of the allowance in the tax return is independent of the spouse who was taken into account in the assessment of the advance tax.

To qualify, spouses must make a joint **declaration** in their tax return, including each other's tax identification number, stating their decision to share the amount of the allowance.

The allowance can be claimed by the spouses even during the year when assessing the tax advance. For more information, please consult point 13 (Claiming the allowance during the year).

¹³ Section 29/F(5) of the Personal Income Tax Act.

¹⁴ Section 101(3) of the Personal Income Tax Act.

10. Family allowance¹⁵

The family allowance is a tax base allowance which reduces the consolidated tax base and which the eligible individual **can claim for the number of the beneficiary dependent**, depending on the number of dependents per month of eligibility, in the order following all other allowances.

10.1 Eligible person¹⁶

The Personal Income Tax Act defines who is eligible for the family allowance as follows:

- a) an individual who is **entitled to child benefit**¹⁷ for a child according to the Family Act¹⁸, and his/her spouse who **is not entitled to child benefit** (for example, the spouse of a foster parent) **living in the same household as the eligible person**;

(According to the Cst., a **partner** living with the parent is eligible for the family allowance if he/she lives with the child concerned and has been registered as a partner with the parent in the Register of Declarations of Partners for at least one year, or if he/she proves his/her partnership with the parent by means of a public deed issued at least one year before the application for the allowance¹⁹. In practice, this means that if the partner living with the child's biological parent **is entitled to the child benefit, he/she is also entitled to the family allowance** and can claim it during the year.)

- b) from the 91st day of pregnancy, the **mother and her spouse living in the same household** (i.e. not the partner);
- c) the child (person) **entitled to child benefit in his/her own right** or, at their discretion, **one of his/her relatives living in the same household** (including the child's parents);
- d) the individual **receiving the disability pension** or, at their discretion, **one of his/her relatives living in the same household** (including the child's parents).

In order to determine who is eligible under point (a), it is necessary to know the provisions of the Cst. on the child benefit.

The family allowance **is not conditional on the payment of the child benefit**, so individuals who are entitled to this benefit in respect of their child but do not request

¹⁵ Sections 29/A to 29/B of the Personal Income Tax Act.

¹⁶ Section 29/A(3) of the Personal Income Tax Act.

¹⁷ Individuals listed in points (aa) to (ac) of Section 29/A(3) of the Personal Income Tax Act are exceptions, since these people are eligible for the child benefit because of their employment.

¹⁸ Act LXXXIV of 1998 on Family Support (hereinafter referred to as Cst.).

¹⁹ Section 7(1)(a) of the Cst.

or have not requested the payment of the child benefit can also claim the allowance. If the individual has not requested the payment of the child benefit and is not sure if he/she is eligible for the child benefit, he/she can get information about this from the government office in the capital or county where he/she lives.

In the case of points (c) to (d), not only is the relative living in the same household eligible for the family allowance but **also the relative of the child's parents**. For example, an orphaned child who is eligible for the child benefit in his/her own right is often taken into the family or household by the brother or sister of the deceased parent. In this case, the aunt or uncle cannot be considered as the relative of the child pursuant to the Civil Code²⁰, but due to the rule, the brother or sister of the parent can also be eligible as they are considered as relatives in respect of the parent.

A change is that in the case of a dependent beneficiary receiving a disability benefit who is eligible for child benefit in his or her own right, the person claiming the allowance may change at the end of the year, i.e. the family allowance claimed during the year may be claimed by another person in the income tax return. In such a case, a person who has claimed the family allowance during the year on such legal grounds might have to pay it back, as - based on the decision of the persons concerned - the person who claimed the allowance during the year is not the one who claimed it in the tax return.

Since the allowance was claimed legitimately during the year, the individual does not have to pay a financial penalty when repaying it.

For example, an individual in receipt of a disability benefit who lives in the same household as her sister and her sister's husband will claim the family allowance herself during the year.

In July, the her sister becomes eligible for a family allowance with respect to the foetus.

At the end of the year, there is no obstacle to the older sister of the individual in claiming the family allowance in her tax return for the fetus and the dependent beneficiary receiving disability benefits. At the same time, however, the younger sister must repay the allowance claimed during the year in her return, since the beneficiary of the family allowance is, at the time of filing the return, her older sister.

10.2 Beneficiary dependent and dependent²¹

The amount of the family allowance **is determined by the number of dependents and beneficiary dependents**. The Personal Income Tax Act defines the concept of dependents and beneficiary dependents as follows.

²⁰ Points 1 to 2 of Section 8:1(1) of Act V of 2013 on the Civil Code.

²¹ Section 29/A (4) to (5) of the Personal Income Tax Act.

Beneficiary dependent:

- the person for whom the individual is entitled to child benefit under the Cst.,
- the fetus during pregnancy (from the 91st day of conception until birth),
- the person who is eligible for the child benefit in his/her own right,
- the individual who receives disability pension.

Dependent:

- the beneficiary dependent,
- a person who is or would be taken into account for the purpose of determining the amount of the child benefit under the Cst., even if no child benefit is granted for the beneficiary dependent, no child benefit is granted or the amount of the child benefit is not affected by the number of children.

According to the Cst., **a person may be taken into account for the calculation of the child benefit if**

- he/she is a student at a public education institution, or
- he/she is a student enrolled in a higher education institution, a higher vocational education and training, the first bachelor's degree, the first master's degree or the first single, integrated course,
- he/she has regular income.

These people **are considered as dependents in terms of family allowance.**

A child studying in a public education institution or a higher education institution **qualifies as a dependent** even if after the beneficiary dependent

- they do not grant child benefit because he/she receives disability pension;
- they do not grant child benefit, for example, for the fetus;
- the amount of the child benefit is not influenced by the number of children, for example, in the case of a permanently ill child and who is entitled to a higher amount of child benefit.

A child who receives temporary care under the Gyvt.²² with the consent or at the request of the parent shall also be considered a child brought up in his/her own household. A child who receives temporary care as described can be taken into account in terms of family allowance.

²² Act XXXI of 1997 on the Protection of Children and the Administration of Guardianship.

10.3 Month of eligibility²³

The family allowance can be claimed for those months in which the eligibility exists for at least one day. A month can be considered to be a month of eligibility,

- in which the eligibility for child benefit exists,
- in which the disability pension is paid,
- in which the pregnancy - according to the medical certificate - reaches day 91, except for the month when the eligibility for the child benefit starts after the born child.

The eligible person can claim the family allowance for the months which are considered to be months of eligibility. If the individual also uses the allowance for months that are no longer considered to be a month of eligibility, this will be considered as an unauthorized use of the allowance.

For example, if the child leaves secondary school and starts working, no further child benefit is paid, so the eligibility for family allowance ceases. If the parent continues to claim the family allowance for the child despite this, it is considered an unauthorized claim.

10.4 Amount of the family allowance

The rate of the family allowance has increased again from 1 January 2026.

The **monthly amount of family allowance** that can be claimed for the beneficiary dependents:

- in case of 1 dependent HUF 133,340;
- in case of 2 dependents HUF 266,660;
- in case of 3 (and any additional) dependents HUF 440,000.

In practice, this means that the **amount of family allowance that can be claimed per month of eligibility** (limits of family allowance) depends on the number of dependents and beneficiary dependents in the tax year as follows:

²³ Section 29/A(6) of the Personal Income Tax Act.

depen- dent(s)	beneficiary dependent(s)	amount of allowance in HUF	tax amount in HUF
1	1	133,340	20,001
2	1	266,660	39,999
2	2	533,320	79,998
3	1	440,000	66,000
3	2	880,000	132,000
3	3	1,320,000	198,000

For a beneficiary dependent child who is permanently ill or severely disabled, the monthly amount of the allowance has also increased, which means that the family allowance is available in an increased amount of HUF 133,340.²⁴

A person is permanently ill or severely disabled ²⁵if:

- he/she is under the age of eighteen and needs permanent or increased supervision or care because of an illness or disability as defined by special legislation,
- he/she is over the age of eighteen and has lost at least 67% of his/her capacity for work **before reaching the age of eighteen**, has suffered at least 50% impairment, or whose state of health, according to the rehabilitation authority, does not exceed 50% before reaching the age of eighteen and has been so for at least one year or is expected to continue for at least one year.

For example, a mother raises two minor children and one of them is severely disabled. The monthly amount of the family allowance is HUF 666,660, because she can claim HUF 266,660 family allowance per month per child and she can additionally claim family allowance of HUF 133,340 for the sick child.

In addition to what has already been described, chronically ill or severely disabled person shall also include a private individual of eighteen years of age who receives disability benefit instead of increased family allowance.²⁶ This means that a higher amount of family allowance can only be claimed for an individual in receipt of disability benefit if he or she would be eligible for the higher amount of family allowance, i.e. he or she have a disability as defined above which began before reaching the age of 18 and which has lasted for at least one year or is expected to last

²⁴ Section 29/A (2a) of the Personal Income Tax Act.

²⁵ Point (f) of Section 4 of the Cst.

²⁶ Section 29/A(2a) of the Personal Income Tax Act.

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for at least one year. However, if the individual became eligible for disability benefit after the age of 18, he or she would not be eligible for the child benefit in his or her own right, and would therefore not be entitled to the family allowance.

10.5 Alternately cared-for child²⁷

There is a **special rule** for divorced parents who have joint parental custody of their children and care for them alternately and are eligible for 50-50% of the child benefit.

A child who is cared for alternately **is considered a beneficiary dependent in the case of both parents**, but the parents can claim 50% of the family allowance. **Both parents and the parent's new spouse can claim** the family allowance for a child who is cared for alternately. Parents are not entitled **to jointly claim or share** the family allowance for children who are cared for alternately.

For example, the divorced parents care for their child jointly, and they receive the child benefit at a 50/50 rate.

The father's new wife brought two minor children into the new marriage. Another child was born to the mother's new marriage.

In the father's family, the number of dependents is 3, so he can claim a family allowance amounting to HUF 1,100,000 = $(2*440,000)+(440,000/2)$ per month in the first half of the year of eligibility jointly with his spouse.

In the mother's family, the number of dependents is 2, so she claims allowance amounting to HUF 399,990 = $(266,660+(266,660/2))$ per month jointly with her husband.

If the alternately cared-for child is a permanently ill or severely disabled child, parents can also claim 50-50 percent of the increased amount family allowance (i.e. HUF 133,340).

It is important to note that both parents can only claim the allowance if they both receive the child benefit allowance as alternating parents, at a 50/50 rate. For example, if the child is cared for alternately, **but the mother receives 100% of the child benefit, the father cannot claim the family allowance**, but the mother can claim the full amount.

²⁷ Section 29/B(1e) of the Personal Income Tax Act.

11. Family contribution allowance²⁸

If the amount of the family allowance to which the person is entitled is more than the amount of his/her income included in the consolidated tax base, **he/she may claim 15% of the excess of the tax base as a family contribution allowance**, as follows.

The family contribution allowance is available to individuals who

- are entitled to family allowance as per the Personal Income Tax Act, and
- is insured pursuant to the Tbj.

Therefore, two conditions must be taken into account: firstly, the allowance is available to an individual who can claim it under the Personal Income Tax Act, and secondly, only an insured individual - for example, an individual in employment - is entitled to claim the allowance. A family contribution allowance is not available for tax-free income that is subject to contributions.

For example, an individual receiving child-care assistance benefit (i.e. GYES) from the date of childbirth is not insured. Since the individual is not insured, the family contribution allowance cannot be applied to the 10 percent pension contribution deducted from GYES.

The family contribution allowance **reduces the amount of the**

- **18.5 percent social security contribution or**
- **10 percent pension contribution payable by the insured person.**

No family contribution allowance is available for the difference between the minimum contribution threshold and the actual paid income subject to contributions.

It is important that the use of the family contribution allowance does not affect either the eligibility of the insured person for the social security allowances or the amount of the allowances.

In connection with the family contribution allowance, Section 34 (6) of Tbj. sets forth a special rule.

From 1 July 2025, the family tax allowance may be claimed not only on interest representation membership fee but also on income as defined in Section 7 (1) m) of the Personal Income Tax Act. If the insured person receives income that is not taxable in Hungary under a double taxation treaty but should be included in the consolidated tax base and on which social security contributions are due, the insured person may claim a family contribution allowance against the social security contributions deducted.

²⁸ Sections 34 to 36 and 79 to 81 of Act CXXII of 2019 on the Entitlements to Social Security Benefits and on Funding These Services (hereinafter referred to as Tbj.).

12. The use of family allowance²⁹

The family allowance can be claimed once for the same beneficiary dependent.

For example, if the parents raise their child jointly, both qualify. However, the family allowance of HUF 133,340 per month cannot be claimed by the two of them separately, but only jointly. The two of them together can therefore use a monthly family allowance of HUF 133,340 depending on the amount they decide.

The family allowance can be claimed for the month of eligibility. However, if the statutory conditions are met, **it is possible to jointly claim and share the allowance.**

12.1 Joint claiming

If there are several eligible persons, they **can claim** the family allowance for a given month of eligibility **jointly**, either during the year, when the advance tax is calculated, or at the end of the year, when they submit their tax return.

For example, when a married couple has two children, or partners have a child together, or a mother and her husband can claim the family allowance jointly.

12.2 Sharing

If an individual is entitled to the family allowance for a given month of eligibility, he/she **may share** the family allowance with his/her spouse or partner living in the same household as him or her, who is not an eligible person, including if the eligible person is unable to claim the family allowance at all.

The eligible person **must not share** the amount of family allowance for those months of eligibility,

- for which he/she claims child benefit for the child as a single person, except where the eligible person qualifies as a single person pursuant to Section 12 (3) of the Cst.,
- in which he/she claims the family allowance jointly with another eligible person.

The major rules for joint claiming and sharing are included in the following table:

	Joint claiming	Sharing
When?	During the year upon the determination of the advance	Only at the end of the year, in the tax return

²⁹ Section 29/B of the Personal Income Tax Act.

	tax, at the end of the year, in the tax return	
With whom?	The eligible person with another eligible person	The eligible person with a spouse or partner living in the same household not qualifying as an eligible person

The joint claiming and sharing of the family allowance in the tax return does not depend on the eligible person who was taken into account in the assessment of the advance tax.

It is also possible to change the identity of the eligible person in the case of a child entitled to child benefit in his/her own right, and in the case of an individual receiving a disability pension. In other words, it is possible for the parties concerned to change their mid-year decision on eligibility at the end of the year in the personal income tax return, and for a different eligible person to claim the family allowance than the one who did so during the year on the basis of an advance tax return.³⁰

The amount of family contribution allowance legally claimed during the year is final and cannot be adjusted in the return at the end of the year.

For example, if the mother claims the family allowance for the three children during the year, but the parents decide at the end of the year that the father wants to claim it for two children, they can do so on condition that the amount of family allowance claimed during the year is no longer transferable to the other parent.

13. Claiming the allowance during the year

The allowance for mothers under the age of 30, the tax allowance for mothers raising two, three, four, or more children, the allowance for those eligible for infant care benefit, child-care benefit and adoption allowance, the allowance for young people, the personal allowance, the allowance for young couples in first marriage and the family allowance (hereinafter collectively referred to as allowances) can be claimed during the year, upon determining the advance tax.

The procedure for claiming allowances is as follows:

1. The first step is to reduce the individual's tax base by the allowance for mothers under the age of 30, if the mother is not eligible for that, but is eligible for the allowance for mothers raising two, three, four, or more children, then the latter is what should be used to reduce the tax base.
2. If an individual eligible for infant care benefit, child-care benefit and adoption allowance is not eligible for the allowances specified in point 1, they may first

³⁰ Section 29/B (1c) of the Personal Income Tax Act.

claim the tax allowance for those eligible for infant care benefit, child-care benefit and adoption allowance.

3. If a young person under the age of 25 is not eligible for the allowances specified in the preceding points, his/her tax base can be reduced by the allowance for the young people. Since there is no limit on the amount of the afore-mentioned allowances - if the young person is eligible - then he/she cannot claim the allowance for young people as the same income forms the basis of both allowances.
4. If the individual has income to which the allowance referred to in points 1–3 does not apply, the personal allowance must be deducted from the tax base, then
5. the allowance for young couples in first marriage,
6. then the remaining part - up to its amount - is reduced by the family allowance. If the advance tax base is exhausted but there is still unused family allowance, 15 percent of it can be used as a family contribution allowance, up to the maximum amount of the contribution that can be taken into account for the family contribution allowance.

The individual can claim the allowances referred to in point 1 from the payer who provides him/her with the income on which the allowance is based by filing an advance tax return.

In 2026, mothers eligible for the allowance of mothers raising two, three, four or more children can ask her employer or payer to continue to take her declaration into consideration until she makes a new tax advance declaration or withdraws her previous declaration. If she makes a **declaration of continuation**, she does not have to make a new declaration in subsequent years; the employer or payer will take it into account without any further declaration.

The employer or payer must consider the 2025 tax advance statement of the mother regarding the application of the tax allowance for mothers raising three children as a declaration of continuation, unless the mother submits a new tax advance statement.³¹

Individuals do not need to claim the application of **tax allowance for those eligible for infant care benefit, child-care benefit and adoption allowance**; the paying agency takes it into account automatically.

The young person does not have to apply for the **allowance for young people**. The employer or payer reduces the young person's tax base per month of eligibility, unless the young person has made a declaration requesting that the young person not claim all or part of the allowance for young people under the age of 25. This means that the

³¹ Section 111 (1) of the Personal Income Tax Act.

young person does not have to make a declaration when he/she wants to claim the allowance, but when he/she wants to opt out of the allowance in whole or in part.

For example, the young person has two employers at the same time. In one place he earns 500 thousand forints a month, in the other he earns 300 thousand forints a month. The sum of his/her individual income does not exceed the tax-free threshold, but together they do ($800,000 > 715,765$). The young person must make an advance tax declaration to both employers to ensure that the total amount of the allowance claimed does not exceed the maximum amount of the allowance, but it is up to the young person to decide which of his/her income is used to claim the benefit.

For example, he/she can ask for the allowance to be taken into account as follows:

	Case I	Case II	Case III
first employer	500,000	415,765	415,000
second employer	215,765	300,000	300,765

Both employers must provide a declaration because if the young person receives additional income, such as a bonus, in addition to his/her wages, the employer will claim the allowance in the absence of a declaration.

For example, in case II, if the second employer pays the young person a bonus of HUF 100,000 and has not received a declaration not to take the allowance into account for amounts above HUF 300,000, it will also take the bonus into account, which means an unauthorized claim by the private person.

If the young person declares to his/her employer II that he/she wants the allowance to be waived in full, employer I no longer needs to make a declaration, as it will only apply the allowance up to the amount of the allowance.

To claim the personal allowance, the newlywed allowance and the family allowance, an individual may submit an advance tax return to the employer who has made the advance tax assessment and to the payer of the regular income included in the consolidated tax base.

Individuals eligible for the personal allowance may request their employer or payer of regular income to continue to take account of their tax advance declaration until they make a new tax advance declaration or withdraw a previous declaration. No new declaration is then required for the following year or years.

An individual who is eligible for the newlyweds' allowance can request in his or her tax advance declaration that his or her declaration be considered on a continuation basis, so he or she does not have to file a new declaration in the following year or

years. The employer or payer of regular income will then take the newlyweds' allowance into account until the declaration is withdrawn or until the end of the 24-month qualifying period.

If the eligible person **does not want to claim the family contribution allowance**, he/she can declare this in the advance tax declaration. If the eligible person does not make such a declaration, the employer/payer obliged to deduct the advance tax has to take into account both the family allowance and the family contribution allowance when the conditions are met.

For example, an individual lets a real estate to a company. In such cases, the payer (tenant) must assess an advance tax on the regular rent, also considering the individual's declaration of advance tax for the family allowance.

If an individual is unable to claim the family tax allowance, or can claim only a portion of it, because their taxable income has been exhausted due to another tax allowance, they may claim 15 percent of the unused portion of the allowance as a family contribution allowance.

For example, a mother eligible for NÉTAK can submit a tax advance statement to her employer regarding the family tax allowance, which the employer will recognise as a family contribution allowance due to NÉTAK.

Tax advance statement for the tax allowance for mothers under the age of 30

Tax advance statement for the tax allowance for mothers under the age of 30 shall include:

- the individual's name and tax identification code,
- the payer's or employer's name and tax identification number,
- the legal ground for the eligibility:
 - the name and tax identification code of the biological or adopted child eligible for the family tax allowance,
 - in the case of pregnancy, this fact must be noted, along with the year and month in which the 91st day of pregnancy is/was reached.

Individual's advance tax statement regarding NÉTAK

The declaration of advance tax regarding NÉTAK must include the following data:

- the name and tax identification code of the individual,
- the name (designation) and tax number of the payer/employer,

- an indication of whether the individual wishes to make a declaration of continuation,
- the name and tax identification number of the children entitled to the allowance - or if the National Tax Administration has not established a tax identification number, the natural person identification data. (The mother may provide the child's place and date of birth even if the child is already an adult, and their relationship has deteriorated and the mother does not know the child's tax identification code.

Advance tax statement on the allowance for mothers raising three children

The advance tax statement on the allowance for mothers raising three children shall include:

- the name and tax identification code of the individual,
- the name (designation) and tax number of the payer/employer,
- the name and tax identification number of the children entitled to the allowance - or if the National Tax Administration has not established a tax identification number, the natural person identification data. (The mother may provide the child's place and date of birth even if the child is already an adult, and their relationship has deteriorated and the mother does not know the child's tax identification code.

Advance tax statement on the allowance for mothers raising two children

The advance tax statement on the allowance for mothers raising two children shall include:

- the name and tax identification code of the individual,
- the name (designation) and tax number of the payer/employer,
- the name and tax identification number of the children entitled to the allowance - or if the National Tax Administration has not established a tax identification number, the natural person identification data. (The mother may provide the child's place and date of birth even if the child is already an adult, and their relationship has deteriorated and the mother does not know the child's tax identification code.

If a mother raising a child is eligible for the allowance for mothers raising four or more children, the allowance for mothers raising three children, the allowance for mothers raising two children, or the allowance for mothers under the age of 30 throughout the entire year in a way that the basis for eligibility changes, the allowance may be claimed for the entire year based on the eligibility criteria applicable on the

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first day of the year—if there are multiple such criteria, the mother may choose which one to apply. In such cases, there is no need to file a new advance tax statement or to allocate the income serving as the basis for the tax allowance among the various income sources.

For example, if a mother of three gave birth to her fourth child in May, she will become eligible for NÉTAK allowances, but she will not need to submit a new advance tax statement form to her employer. She will continue to be eligible for the tax allowance for mothers raising three children.

Advance tax statement regarding the personal allowance

The declaration of advance tax regarding the personal allowance must include the following data:

- the name and tax identification code of the individual making the declaration;
- the start and end dates of the disability, or the finality of the disability, based on the certificate of severe disability,
- an indication of whether the individual wishes to make a declaration of continuation,
- name (designation) and tax number of the payer, employer.

Advance tax statement regarding the allowance for young couples in first marriage

The declaration of advance tax regarding the newlywed allowance must include the following data:

- the name and tax identification code of the individual making the declaration;
- the spouse's name, tax identification number, the name (designation) and tax number of the employer or payer establishing the advance tax, and their declaration of joint entitlement to the benefit,
- an indication of whether the individual wishes to make a declaration of continuation,
- name (designation) and tax number of the payer, employer of the individual making the declaration.

Advance tax statement regarding the family allowance

The declaration of advance tax regarding the family allowance must include the following data:

- the name and tax identification code of the individual making the declaration;

- the name, tax identification number of each dependent, beneficiary dependent and the declaration of pregnancy in the case of a fetus (twin);
- the name (designation) and tax number of the employer of the individual making the advance tax declaration and of the payer of the regular income;
- if the allowance is claimed jointly, the name and tax identification number of the spouse or partner, the name (designation) and tax number of the employer or payer of the regular income who made the advance tax payment, and the amount of the family allowance divided by beneficiary dependents.

Since the employer or payer must provide more information on the use of the family allowance in the monthly tax and contribution return (return no. 2608), **the following information must also be included** in the declaration:

- the fact of joint claiming of the allowance, the proportion of the allowance; joint claiming also applies if the parents entitled to the family allowance decide that one of them does not claim the allowance and the other one takes the full amount;
- whether the person to be considered for the allowance is a beneficiary dependent, dependent, alternately cared for child, a person with a long-term illness or serious disability (child), a person with a long-term illness or serious disability (child) who is alternately cared for, or a person who is not a beneficiary during the reference month;
- the legal ground for the use of family allowance.³²

If a mother eligible for the family tax allowance is also eligible for

- the tax allowance for mothers raising two children, or
- the tax allowance for mothers raising three children or
- the tax allowance for mothers raising four or more children

as well, she may submit **a combined advance tax statement** to her employer or the payer providing her regular income to claim these allowances. In such cases, the mother may apply for the two allowances to be applied by submitting a statement, whereby the employer or payer shall consider the statement regarding the allowances for mothers raising two, three, four, or more children to be a declaration of continuation.

Employers and payers must declare the allowances claimed in their monthly tax and contribution returns with the data content specified in Art³³.

An individual can file an advance tax return **on a case-by-case basis and/or for the whole tax year** until it is withdrawn or when claiming tax allowance for mothers

³² Section 29/A(3) of the Personal Income Tax Act.

³³ Act CL of 2017 on Taxation (hereinafter referred to as Art.).

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raising two, three, four or more children, the personal allowance and the allowance for young couples in first marriage, **on a continuing basis, until the declaration is withdrawn.**

If there are **changes in the individual's circumstances that affect their eligibility for allowances**, they must amend their advance tax return.

No new declaration is required at the birth of the child if the individual has already claimed the family allowance after the fetus.

However, when claiming the allowance for mothers under the age of 30, a new advance tax statement is required after the birth of the child, stating that the mother is no longer entitled to the allowance with respect to the pregnancy but for the biological child.

The advance tax statement needs to be amended and a new statement made, for example, if the individual has declared that he/she is entitled to the allowance and subsequently

- got divorced, therefore not eligible for the newlyweds' allowance,
- his/her child leaves secondary school and no further child benefit is paid,
- his/her child finishes their studies and upon determining the family allowance to be paid for the younger sibling this child cannot be taken into account as a dependent.

Private individuals with DÁP (i.e. Digital Citizenship app) or ClientGate+ identification via a Central Identification Agent (i.e. KAŰ in Hungarian) may file their advance tax declarations the easiest **electronically through the Online Form Filling Application (Hungarian abbreviation: ONYA), which has the advantage that the National Tax and Customs Administration forwards the declaration to the employer or payer indicated therein.**

The web forms can be accessed by clicking on the **Online Form Filling Application (ONYA)** within the "NTCA online" (i.e. NAV online) menu item on the NTCA website or by going to <https://onya.nav.gov.hu/#!/login>. After logging in, advance tax declarations are accessible at the following path: "New form (Új nyomtatvány) / Declarations (Nyilatkozatok) / Advance tax declarations (Adóelőlegnyilatkozatok)".

The advance tax declarations are also available on the website of the National Tax and Customs Administration (nav.gov.hu) in the "Tax / Advance tax declarations" menu, or Personal income tax (SZJA) subpage (<https://nav.gov.hu/szja>) in the "Declarations (Nyilatkozatok)" section.

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It is important that the individual makes the advance tax declaration in a lawful manner, as he/she will be **liable to pay an additional amount** for the false declaration and 12% of the tax liability as a **differential penalty**. This amount must be indicated and paid in the tax return as a separate liability. However, the differential penalty does not need to be paid if the payment obligation does not exceed HUF 10,000.

For example, the mother raises three children, two of whom studies at a higher education institution, the youngest one is a senior secondary-school student. The mother can claim a family allowance of HUF 440,000 per month for the secondary school child, taking into account the two university students. The youngest child leaves secondary school, child benefit will not be paid for them from August. The mother makes a declaration to her employer only in October that she does no longer claim the family allowance. In this case, she claimed the family allowance of HUF 880,000 without any legal ground.

If the individual must determine the advance tax, he/she can claim the family allowance upon determining the advance tax.

For example, an English teacher tutors children as an individual with a tax number (she has no other income). They raise two children with her husband and they claim the allowance at an equal rate. The teacher earned HUF 280,000 each month between January and March.

In the first quarter she earned HUF 840,000, which she can reduce with the family allowance amounting to HUF 799,980 (3x266,660). Thus, in the first three months, she has tax advance base of (840,000-799,980=) HUF 40,020 and (20,010x0.15 =) 6,003 HUF in advance tax.

However, the teacher does not have to pay the advance tax until the amount of the advance tax reaches HUF 10,000 in the tax year.³⁴

14. Claiming and filing of allowances at the end of the year

Individuals can also claim the allowances in their personal income tax return for the year in question, and any family contribution allowance claimed during the year must also be included here. If the taxpayer is able to do so, he/she can also claim a contribution reduction on the return.

A mother claiming the allowance for mothers under the age of 30 must include in the return³⁵

- the legal grounds for eligibility for the allowance,

³⁴ Section 47 (9) of the Personal Income Tax Act.

³⁵ Section 29/G (6) of the Personal Income Tax Act.

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- the income on which the allowance is based,
- the name and tax identification code of the child entitling the taxpayer to the allowance, or, in the case of a fetus, the fact and duration of the pregnancy, and
- if eligibility for the allowance did not exist for the entire year, the date on which eligibility began or ended.

The individual claiming the allowance for mothers raising two, three, four or more children must include in the return

- the legal grounds for eligibility for the allowance,
- the income on which the allowance is based,
- the names and tax identification codes of the children eligible for the tax allowance (if the National Tax and Customs Administration has not assigned a tax identification code, their natural identification data), as well as
- the date on which eligibility began or ended—if eligibility for the tax allowance did not exist for the entire tax year—and
- the amount of income included in the consolidated tax base that serves as the basis for the allowance.

A change effective from 1 January 2026 provides that a pensioner entitled to a pension under the Social Security Act who claims the allowance for mothers raising two, three, four, or more children may only file a tax return on the income included in the base for the allowance if

- the income earned under the basis entitling the person to the tax allowance does not come from a payer, or the payer would not otherwise be required to withhold tax on it, and
- the total revenue for the reference year on which this income is based exceeds four times the average annual income, which in 2026 amounts to HUF 34,356,720 ($715,765 \times 12 \times 4$).³⁶

The allowance for young people under the age of 25 must be included in the return, whether the individual claims it during the year or at the end of the year.

It is important to note that the National Tax Administration will indicate the amount of the allowance in the individual's draft tax return based on the data available to it (the individual's age and the monthly tax and contribution returns of the employer or payer).

Upon claiming the personal allowance, the amount of the allowance must be included in the return based on the months of eligibility.

³⁶ Point 71 of Section 3 and Section 11 (5) of the Personal Income Tax Act.

Upon claiming the newlywed allowance, the return must include:

- the name, tax identification number of the spouse, and
- their decision on sharing the amount of the allowance.

If two individuals are entitled to the **family allowance**, they **can claim it jointly**, and the **eligible person may share the allowance** with his/her spouse or partner, including if the eligible person is unable to claim the family allowance at all. **In order to jointly claim and share the allowance, the individuals concerned must make a joint declaration in their tax return**, including each other's tax identification number. This includes their decision to jointly claim or share the amount of the benefit.

To claim the family allowance, the individual must make a written declaration to the tax return

- about the entitlement to the allowance, and
- about this fact when sharing, jointly claiming the family allowance.

The declaration must indicate the name, tax identification number of all dependents (beneficiary dependents), except for the fetus, and the months of the tax year in which they were considered dependents, beneficiary dependents, alternately cared for child, a person with a long-term illness or serious disability (child), a person with a long-term illness or serious disability (child) who is alternately cared for, or a person who is not considered a beneficiary, including the fetus.

When the family allowance is shared and claimed jointly, the tax identification number of the other party must also be indicated.

If the fetus (twin) is identified after the tax assessment for the tax year, the individual can claim **the amount of the family allowance due for the year covered by the return by means of a self-assessment within the limitation period**.

It is important that the medical certificate of pregnancy must be kept until the limitation period expires, as the National Tax and Customs Administration may ask for it in the case of an audit. The 2026 medical certificate of pregnancy must be kept with the return until 31 December 2032.

If the individual who is entitled to the family allowance or another individual who is also entitled to the allowance has legitimately claimed the monthly or quarterly amount of the family contribution allowance, the amount of the family allowance that can be claimed jointly by the beneficiary(ies) or by the spouses or partners who share the allowance in the income tax return is reduced by the portion of the amount of the family contribution allowance that they have jointly claimed divided by the amount of the tax rate provision (667%).

In practice, this means that **the individual must determine the tax-year limit for the family allowance in the return.** This has to be reduced by 667% of the amount of the family contribution allowance rightfully claimed by the individual or other eligible party in the tax year. The remaining part can be claimed, or jointly claimed and shared in the return.

For example, there are five people in the Kedves family. Mother (Orsi), father (Oszkár) and the children: Csenge (19), Csilla (16) and Csaba (12). The children attend school, but Csenge graduated in June and will continue her studies as a full-time university student from September.

In this case, the number of dependents is 3 for the whole year, but the number of beneficiary dependents is 3 in the first seven months and 2 in the remaining part of the year. The annual limit for the family allowance in 2026: $(3 \times 7 \times 440,000 + 2 \times 5 \times 440,000 =)$ HUF 13,640,000.

Orsi is eligible for the allowance for mothers raising three children all year round!

According to the employer's certificate, Orsi earned HUF 4,200,000. No tax was deducted and she received HUF 135,000 contribution allowance.

Oscar claimed a contribution allowance of HUF 500,000.

The limit must be reduced in the return by 667% of the contribution allowance claimed by Orsi and Oszkár: $135,000 \times 6.67 = 900,450$, $500,000 \times 6.67 = 3,335,000$, $13,640,000 - 900,450 - 3,335,000 = 9,404,550$.

Orsi reduced her taxable income to zero using the tax allowance for mothers raising three children, and since she has no other income, Oszkár can claim the remaining portion of the family tax allowance on his tax return.

15. The eligibility of foreign individuals for allowances³⁷

As of 1 January 2025, the conditions for claiming tax allowances by foreigners have changed.

From 2025, the allowance for young people under 25 and the allowance for first-time married couples may be claimed by foreign individuals who are citizens of an EEA country or a non-EEA country bordering Hungary (Ukraine, Serbia) and meet the other eligibility criteria.

If a foreign individual is not eligible for a family allowance or disability allowance in Hungary, but is eligible for a family allowance, disability allowance or other similar benefit under the legislation of an EEA or non-EEA country bordering Hungary (Ukraine, Serbia) and meets the other legal requirements, he or she can claim the family tax allowance and the tax allowance for mothers under 30.

³⁷ Section 1/A and Section 29/B(5) of the Personal Income Tax Act.

To qualify for the allowances on the tax base, **at least 75 percent of the foreign individual's total income must be taxable in Hungary** and the same or similar allowances must not be claimed for the same period in another country.

Total income shall mean total of the following:

- the income from non-self-employment and
- the income from self-employment (including particularly the entrepreneurial income and the entrepreneurial dividend base or the flat-rate tax base), and
- the pension and other similar income earned with respect to the earlier employment.

If the foreign individual complies with the foregoing, the **rules on family allowances apply mutatis mutandis** to any individual (eligible person, dependent) entitled to a family allowance, disability pension or other similar allowance under the legislation of an EEA country or a non-EEA country bordering Hungary (Ukraine, Serbia), provided that

- the individual (child) who, with the correct application of the Cst., could be taken into account as a beneficiary dependent for the purpose of establishing eligibility for child benefit of the individual claiming the allowance;
- the individual (child) who, with the correct application of the Cst., could be taken into account as a dependent for the purpose of determining the child benefit for another individual (child).

If a foreign individual earns taxable income in Hungary only during part of the tax year, he/she cannot claim the allowances for the whole tax year, only for the months when he/she earns taxable income included in the consolidated tax base for which the allowance is available.

16. Family allowance for persons in receipt of an early retirement or service pension

Benefits previously classified as early retirement pensions and service pensions will be paid as early retirement benefits and service pensions from 1 January 2012. As a rule, the payer deducts the tax corresponding to the social security contributions.³⁸ The said allowances can be considered to be pensions based on the Personal Income Tax Act³⁹, so they are not part of the consolidated tax base. Consequently, **the rules of the Personal Income Tax Act do not apply** to the claiming of the allowance for

³⁸ Pursuant to Section 5(1) to (2) of Act CLXVII of 2011 on the termination of old-age pensions before the age limit, on early retirement benefits and on service pension.

³⁹ Point 23 of Section 3 of the Personal Income Tax Act.

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mothers raising two, three, four or more children, the allowance for the young under the age of 25, allowance for mothers under the age of 30, the personal allowance, the allowance for young couples in first marriage and family allowance by individuals receiving these benefits.

An individual receiving an early retirement benefit or a service pension may claim the family allowance to which he/she is entitled **against the amount deducted from the early retirement benefit or service pension** (up to the amount of the personal income tax) **in the year following the tax year**. Consequently, the individual in receipt of early retirement benefit or a service pension - in absence of other income included in the consolidated tax base - cannot claim family allowance during the year.

Individuals receiving benefits may submit **their application** for the payment of the amount corresponding to the family allowance to the pension payment body **after 30 June of the year following the tax year**⁴⁰ using the data form or electronic form published on the website of the Hungarian State Treasury and on the government portal.

Based on the application, the pension payment body determines the amount to which the individual is entitled on the basis of the procedure laid down in the Government Decree, which is paid within thirteen days of the decision becoming final.

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⁴⁰ As per Section 9 of the Government Decree No. 333/2011. (XII. 29.) on the procedural rules of early retirement benefit, service pension, ballet art annuity and temporary miner's allowance, and amending certain related government decrees (hereinafter referred to as Government Decree).