





# Guide

## to the tax advance declaration claiming family tax allowance

### What you need to know about the declaration

When assessing the tax advance, the family tax allowance **can also be claimed jointly** by the eligible spouses or partners by dividing the amount or the number of beneficiary dependents. If more than one person is entitled to the family tax allowance based on the same beneficiary dependent or if the family tax allowance is used jointly, the declaration must be made jointly.

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

**The declaration of tax advance(s) may be presented to an employer and/or to a payer, who pays regular income subject to consolidation** under, e.g., a contract of engagement.

If you request your **employer or payer of your regular income to be consolidated** to deduct the tax advance from your remuneration, applying the family tax allowance, please complete two copies of this declaration and present it to your employer or payer.

One copy of the declaration **must be kept** by the employer (payer) and the other **by you until the end of the 5th year following the year in which the tax return is filed**. The employer, the payer, takes the declaration into account within the tax year, for payments made after its submission.

Before submitting the declaration, point 7 of the declaration must also be filled in by providing the relevant data of your eligible spouse or partner. The allowance is also available to registered partners<sup>1</sup>, so the **term spouse is also used to include the registered partner**.

*If you claim family tax allowance without a legal basis, and thus a payment obligation exceeding HUF 10,000 arises in your tax return, i.e., tax arrears, you must pay 12 per cent of that as a difference-penalty together with your tax arrears.*

#### Who gets the tax allowance?

- A private individual **who is entitled to family allowance**, such as
  - biological parent living together as a spouse, or partner,
  - also a partner cohabiting with the parent who shares the place of residence or stay with the child concerned and has been registered as a registered partner with the parent for at least one year in the Register of Declarations on Registered Partnership (they must also include the title code "a" as the title of entitlement),
  - proves the partnership with the parent by means of a public deed issued at least one year before the application for family allowance (title code "a" must also be used by them as the eligibility title)<sup>2</sup>.

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<sup>1</sup> Pursuant to Section 3 (1) of Act XXIX of 2009 on Registered Partnership and Related Legislation and on the Amendment of Other Statutes to Facilitate the Proof of Cohabitation (hereinafter: Registered Partnership Act).

<sup>2</sup> Based on the Family Support Act.

- Separated parents taking care of a child alternately for the same period, who exercise joint parental custody, are entitled to family allowance at a rate of 50-50 per cent under the Family Support Act.
  - The parents are also entitled to a family tax allowance of 50-50 per cent for a child, cared for alternately, so depending on the number of their own dependents, they may claim HUF 66,670 (half of HUF 133,340), HUF 133,330 (half of HUF 266,660), or HUF 220,000 (half of HUF 440,000) per month for a child in alternate care.
  - They cannot claim the allowance jointly, but they can also claim their respective share of the allowance with their current spouses.
  - The allowance cannot be claimed jointly during the year with an ineligible partner for family tax allowance living in the same household, but the allowance can also be shared with the partner in the year-end tax return.
- **Spouse not entitled to family allowance living in the same household as the person entitled to family allowance.**
  - A private individual who is not entitled to family tax allowance but lives in the same household as their spouse who is entitled to it may also claim the family tax allowance during the year. For example, if one of the spouses is a foster parent, only they are entitled to family allowance for the child raised under the applicable regulations, but his or her spouse is also entitled to claim the family tax allowance for the child raised by his or her spouse, so he/she is entitled to make a tax advance declaration.
  - The allowance cannot be claimed jointly during the year with an ineligible partner for family tax allowance living in the same household, but in the year-end tax return, the allowance can be shared with the partner.
- **A pregnant woman and her spouse living in the same household.**
  - The partner living in the same household as the pregnant woman is not entitled to the allowance during the pregnancy, so the partners cannot claim it together during the year, but the pregnant woman can share the allowance due to the pregnant woman with her partner in her tax return.
- **A child is entitled to family allowance in their own right and a private individual receiving disability benefit.**
  - In their case, they or the private individual chosen by a joint decision from the relatives living in the same household may claim family tax allowance. (This decision may be departed from when the tax return is filed at the end of the year.)
  - Relatives of the child's parents should also be considered as relatives, so for example, a sibling of the deceased parent can also claim the allowance for an orphaned child living in the same household.
- A private individual who is entitled to **family allowance, disability benefit or other similar benefits under the legislation of an EEA country or a non-EEA country bordering Hungary (i.e. Ukraine, Serbia)** may also claim family tax allowance, if other eligibility conditions are met.

**If several private individuals are entitled to the family tax allowance, they must jointly make the declaration, even if the allowance is claimed in full amount by one of the beneficiaries.** Biological parents of children in alternate care do not need to make a joint declaration because they can claim 50-50 percent of the allowance independently of the other parent. If they claimed their share of the allowance jointly with their current spouses, they must jointly make the declaration with their current spouses.

**How much is the tax allowance?**

**The family tax allowance reduces your consolidated tax base.**<sup>3</sup> This declaration also reduces the basis of the tax advance as well as the amount of the tax payable.

**From 1 January 2026, the amount of the family tax allowance doubled compared to the previous year.**

From 1 January 2026, the amount of family tax allowance **per beneficiary dependent per month**, depending on the number of dependants

- **HUF 133,340** if there is one dependent in the family,
- **HUF 266,660** if there are two dependants,
- **HUF 440,000** if there are three or more dependants in the family.

In practice, this means that by receiving the family tax allowance **for each beneficiary dependent, each month**

- **HUF 20,000** per month if there is one dependent in the family,
  - **HUF 40,000** if there are two dependants in the family,
  - **HUF 66,000** if there are three or more dependants in the family
- more net income is available to families.

### **Beneficiary dependent is a person**

- based on whom the private individual is entitled to family allowance pursuant to the Family Support Act,
- who is entitled to the family allowance in their own right,
- who receives disability benefit,
- the foetus from the 91st day of conception until the month before its birth, on the basis of a medical certificate to that effect,
- a child cared for alternately by both parents and the spouses of the parents on the basis of a court decision, a settlement and a joint declaration made to the payer of the family allowance.

If a private individual can claim family tax allowance because they are entitled to family allowance, disability benefit or other similar benefits under the legislation of an EEA country or a non-EEA country bordering Hungary (Ukraine, Serbia), they may take into account as a beneficiary dependent the child based on whom their entitlement to family allowances could be established with the appropriate application of the Family Support Act.

### **Dependent**

- is a beneficiary dependent,
- the person who may or could be taken into account for the purpose of establishing the amount of family allowance, even if
  - disability benefit and not family allowance is paid based on the beneficiary dependent,
  - for the beneficiary dependent no family allowance is established, for example for the foetus,
  - or the amount of family allowance is not affected by the number of children, such as an increased family allowance for a chronically ill child.

**Example:** There are four people in a family: a father, a mother, a full-time university student son, and the father's sister who receives disability benefit. The brother i.e., the father claims the family tax allowance for the person receiving the disability benefit.

Since the university student is also considered a dependent, there are two dependents in the family, the number of beneficiary dependents is one. For this reason, the father can claim family tax allowance of HUF 266,660 per month for the person receiving the disability benefit.

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<sup>3</sup> Section 29/A of Act CXVII of 1995 on Personal Income Tax (hereinafter: the Personal Income Tax Act).

**From 1 January 2026, the increased family tax allowance for a dependent beneficiary who is permanently ill or severely disabled will also increase!**

For a beneficiary dependent **who is permanently ill or severely disabled**, the monthly amount of the family tax allowance **may be claimed in an increased amount of HUF 133,340 per month.**<sup>4</sup>

**A person** with a permanent illness or **severe disability**<sup>5</sup> is a person who:

- is less than eighteen years of age and requires permanent or increased supervision or care because of an illness or disability as defined in a separate legal act<sup>6</sup>,
- is over eighteen years of age and has lost at least 67% of his or her capacity for work before reaching the age of eighteen, has a degree of health impairment of at least 50%, or whose state of health, according to the classification of the rehabilitation authority, does not exceed 50% before reaching the age of eighteen and whose condition has lasted for at least one year or is expected to last for at least one year,
- is over 18 years of age and receives a disability allowance instead of the higher family allowance<sup>7</sup>.

For example, a mother has two minor children, one of whom is severely disabled. The monthly amount of family tax allowance is HUF 666,660, because she can claim for the children a family tax allowance of HUF 266,660 per person per month and for the sick child a further HUF 133,330.

**What income is involved?**

The allowance is available for income included in the consolidated tax base, such as wages, taxable social security benefits, childcare allowance, other monthly or weekly wages, fees, remuneration for personal assistance, rental income, other income subject to consolidation.

**Eligibility for the family contribution allowance**

An individual may also use the family tax/contribution allowance for which they are eligible<sup>8</sup> to reduce the social security contributions payable as an insured person, if the full amount of the tax allowance could not be claimed against the personal income tax base or the advance tax base.

The amount of the family contribution allowance is 15 per cent of the part of the family allowance not claimed against the tax base or tax advance base, but not more than the amount of the social security contribution.

The family contribution allowance is automatically applied by the employer or payer if the private individual declares claiming the family tax/contribution allowance. However, a private individual may request the employer/payer not to apply the contribution allowance and to account for only the amount of the family allowance limit that can be claimed against the advance payment of personal income tax.

Example: A single mother with a monthly income of HUF 500,000 claims family tax/contribution allowance for 2 minor children.

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<sup>4</sup> Pursuant to Paragraph 29/A (2a) of the Personal Income Tax Act.

<sup>5</sup> Section 4 f) of Act LXXXIV of 1998 on Family Support. (hereinafter: Family Support Act).

<sup>6</sup> Based on Decree No 5/2003 (19 Dec) of the Ministry of Health, Social Affairs and Family Affairs on illnesses and disabilities qualifying for higher family allowances.

<sup>7</sup> Section 29/A (2a) of the Personal Income Tax Act

<sup>8</sup> INDIVIDUALS insured pursuant to Section 6 of Act CXXII of 2019 on Entitlements to Social Security Benefits and on Funding These Services.

The mother is 45 years old and is not eligible for the tax allowance for mothers raising two children.

The monthly amount of the family tax allowance is  $2 * \text{HUF } 266,660 = \text{HUF } 533,320$ .

The mother claims HUF 500,000 as a family tax allowance, and can claim 15 percent of the remaining tax allowance  $(533,320 - 500,000) * 15\% = \text{HUF } 4,998$  as a family contribution allowance.

The mother can claim the family tax allowance in full amount.

### **What to do when data change?**

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

**A new declaration is not required due to the birth of the child** if the individual has already **claimed the family tax allowance for the foetus** in the tax year.

If you change employer over the year and make a new declaration, this is **not considered a modified declaration**.

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

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

If you are not entitled to a family allowance under the rules of the Family Support Act, but you are eligible for a family allowance, disability allowance or other similar benefit under the legislation of an EEA country or a non-EEA country bordering Hungary (Ukraine, Serbia), and the conditions detailed below are met at the same time, you, too, can claim the family tax allowance. In this case, you may take into account as a beneficiary dependent the individual (child) for whom you would be eligible for family allowance in Hungary if the Family Support Act were properly applied; and as a dependent the individual (child) who would be eligible for family allowance for any other individual (child) if the Family Support Act were properly applied.

One of the conditions for claiming the benefit is that **you have not claimed and are not claiming** the same or similar **benefits** for the same period **in another country** (where your self-employment, non-self-employment, pension and other similar income from your previous employment is taxable) – subject to the provisions of international conventions on the avoidance of double taxation.

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

**If you are a foreign tax resident, you must also complete the declaration titled “Supplementary declaration for foreign tax resident private individuals for claiming family tax allowance”. The tax identification code shall also be entered in this case.**

**In the first part of the form**, you declare to your employer or payer the family tax allowance you want to claim, and you must also detail the data of dependents and beneficiary dependents here.

**Section 1:** next to the names of the dependents, the **status of the dependent**, i.e., the way they should be taken into account in the calculation of the family tax allowance, should be indicated in a separate code box. In the case of a foetus, use the term "foetus" instead of a name, marking the beneficiary dependent with code "1". A foetus(es) may be taken into account on the basis of a medical certificate of pregnancy from the month of the 91st day after conception until the month before the date of birth. The medical certificate does not have to be attached to the declaration, but must be kept during the period of limitation, i.e., until the end of the 5th year following the year in which the declaration was submitted.

In addition to the names of the dependents, the appropriate of the following dependent status codes must be indicated:

- Code "1" - Beneficiary dependent
- Code "2" - Dependent
- Code "3" - Child in alternating care
- Code "4" - Permanently ill or seriously disabled person (child)
- Code "5" - Permanently ill or seriously disabled person (child) in alternating care
- Code "0" - Not eligible person for the allowance

A permanently ill or seriously disabled person as coded "4" and "5" means a person who is permanently ill or seriously disabled as defined in the Family Support Act. Persons over 18 years of age who receive a disability allowance instead of the higher family allowance are also considered to be permanently ill or severely disabled.

A person should be specified as not eligible for the allowance with the code "0" if they were listed as a dependent or beneficiary dependent in the original declaration, but there is a change in the status of the dependent due to which they do not need to be considered for family tax allowance in the future. In order for the employer to be aware of the actual situation, i.e., the date from which the private individual in question is no longer a dependent, the date of the change must be indicated and the person who is no longer eligible for the allowance should be indicated with the code "0" in the modified declaration.

The names and tax identification codes of all dependents must be provided, except for those of the foetuses, as **without a tax identification code the declaration is invalid**. In addition to dependents, the title of the individual making the declaration for the allowance based on the given dependent should be indicated.

**Eligibility titles:**

- Code "a" - Spouse entitled to family allowance for a child or living in a household with such an eligible person
- Code "b" – Pregnant woman or her spouse living in the same household
- Code "c" – Individuals entitled to family allowance in their own right or relatives living in the same household with such an eligible person (including relatives of the child's parents)
- Code "d" -Individuals receiving disability benefit or living in the same household with such an eligible person (including relatives of the child's parents)

If there is a change during the year that necessitates an amendment to the tax advance declaration, you must mark this with an X in the box marked "Amended declaration" on the declaration to the same employer!

The family tax allowance under the change indicated in the modified declaration may be taken into account in the payroll accounting after the date of the declaration at the earliest, regardless of whether an earlier date has been indicated as the date of the change. The purpose of indicating the date of the change is to enable the employer to provide actual information in their monthly tax and contribution returns as to the dependents based on whom you are entitled to family tax allowance, and from what time you are entitled or not entitled to family tax allowance. However, it is not an obligation for the employer to settle the family tax allowance retroactively to the date of the change if you do not amend your tax advance declaration in the month in which the change occurs but only at a later date.

**Section 2:** please mark with an X in the box provided whether you wish to claim the family tax allowance alone or together with your eligible spouse or partner!

**Section 3:** you must declare here that you are eligible to claim the family tax allowance in Hungary and that you do not claim or have not claimed the same or similar allowance on your income in a foreign country.

**Section 4:** In this section you can ask your employer to apply the family tax allowance indicated below only against the personal income tax advance base, but not against the contribution base. If you make this declaration, your employer will not apply the contribution allowance, even if your tax advance base does not cover the full amount of the family tax allowance indicated in Section 5.

**In Section 5,** you declare how you wish to claim the family tax allowance. You can specify the family tax allowance you wish to claim by indicating both the amount [row (a)] and the number of beneficiary dependents [row (b)].

If there is a permanently ill or severely disabled person among the beneficiary dependants (dependent category "4" or "5"), the allowance can be divided among the beneficiaries only by specifying the amount.

If the amount indicated, or the amount due based on the number of the indicated beneficiary dependents is higher than your income, such as wages, the difference will be taken into account as a contribution allowance by the payer, provided that you are insured and have not made a declaration in Section 4.

If in row a) of the declaration you indicate an amount less than the maximum amount of the family tax allowance calculated on the basis of the number of the beneficiary dependents, or in row b) you indicate a number lower than the number of the beneficiary dependents, your eligible spouse or partner can also claim the remaining allowance with a declaration submitted to their employer, payer.

**In the second part of the form,** the rows must be filled in with the details of your spouse or partner if you need to make a joint declaration. If your spouse or partner has an employer who establishes a tax advance, a payer who provides regular income, then their name and tax number must be indicated here.

There is no need to make a joint declaration with the former spouse or partner who claims the 50-50 percent allowance for a child in alternating care.

**The third part of the form** must be filled in by your employer (payer).