Information on the obligation to pay duties related to the purchase of immovable properties (real estates) 2026

When to pay duties?

If the **ownership of a real property** (whether land or housing / residential property) is acquired in return for a purchase price, the party acquiring the real property (i.e. the purchaser) shall – as a general rule – pay duty on the quid pro quo transfer of property.

Duty on the quid pro quo transfer of property shall be paid on the acquisition of **certain rights of pecuniary value related to real property**, acquisition of property through the termination of such rights and the transfer of the exercise of beneficial interest right in respect of real property. In this context, right of pecuniary value means building right, leasehold, beneficial interest or right of use – including the right of use of a holiday resort and the right to use accommodation on a timeshare basis – as well as custody rights.

Duty base, rate of duty

The general rate of the duty on quid pro quo transfer of property is 4% of the market value of the property acquired without any deduction of encumbrances.

In the case of **exchanging the ownership of real properties**, except residential property and related rights, the basis of the duty is the market value of the real property acquired thereby.

In the case of **exchange of residential properties**, the base of the duty is the difference between the market values of the residential properties – without any deduction of encumbrances.

When the private individual buyer has **sold his/her other residential property within a period of five years preceding or one year after the time of purchase**, the duty shall be based on the difference between the market values of the properties purchased and sold, without any deduction of encumbrances. (It follows from the above that if a private individual sells his/her land property and intends to purchase a residential property from

the proceeds therefrom, the above rule cannot be applied; this rule can exclusively be applied to the sale and purchase of residential properties).

If the **private individual is involved in the transfer of two or more residential property by way of exchange, or purchases, sells more than one residential property within a period of three years preceding or one year after the time of purchase**, when establishing the value differential on which the duty is based, only the exchange or sale that produces a more favourable duty base for the person who is subject to payment obligation may be applied in terms of each and every exchange or purchase of residential property. If the private individual is unable to verify the exchange, sale of other residential property(ies), in compliance with the afore-mentioned conditions, to offset his additional transfers by way of exchange or purchase of residential properties, the duty obligation on such exchanges or acquisitions of residential properties shall be levied according to the general regulations.

It is important to note that in case **a private individual exchanges or purchases a residential property** and sells another property of his/hers within the preceding or following year and if the market value of the acquired residential property is smaller than that of the exchanged or sold, no duty payment is required.

If the private individual - at the latest before notifying his purchase of a home for dutiable purposes **declares to sell his other residential property within one year from the date of purchase of the new home, and requests the state tax authority to establish the *property acquisition duty* depending on the market value of the property sold**, the state tax authority shall determine the market value of the newly purchased property, and shall suspend the duty procedure without delivering a decision.

If the private individual provides proof of having sold his/her other residential property within one year from the date of purchase of the new home, the state tax authority shall continue - without having to adopt a separate decision - the suspended procedure and shall determine the amount of duty payable based on the difference between the market value of the residential property bought and the one sold.

If the private individual fails to provide proof of having sold his/her other residential property by the last day of the thirteenth month after the date of purchase of the new home, the state tax authority shall levy the duty based

on the market value of the purchased home and, at the same time, shall charge the additional duty on the original amount from the date of submission of the private individual's statement at a rate double the prevailing central bank base rate.
These provisions shall also apply appropriately to the acquisition of property rights related to residential properties by private individuals.

If **the acquisition of property is based on a contract for support, life annuity or inheritance**, the base of the duty is the market value of the property acquired.

Where **beneficial interest or the right of use** - registered in the real estate register - **is granted simultaneously with the quid pro quo transfer of property**, the buyer (acquirer of ownership) shall be liable to pay duty on quid pro quo transfer of property on the market value calculated in accordance with certain rules, reduced by the value of beneficial interest or right of use, while the beneficiary or the user shall pay a duty on the acquisition of property corresponding to the calculated value of beneficial interest or right of use.

Duty exemptions and allowances applicable to the purchases of real property

Acquisition of the ownership (ownership share) of land property suitable for the construction of a residential building and the right of pecuniary value established on such real property is exempt from duty on quid pro quo transfer of property if the party acquiring the property builds a residential building on such real property within 4 years of the date of submission of the contract for dutiable purposes, and if the net floor space of the residential suite(s) in the building is minimally 10% of the permissible building space fixed in the applicable general zoning plan. The party acquiring the property must notify the tax authority regarding his intention to build a residential building, until the date when the payment order of the duty becomes binding.

The purchase of a **new residential property** with a market value of HUF 15 million or less, **built or developed by a business entity for the purpose of resale**, and the purchase of a share in such property are exempt from duty on quid pro quo transfer of property. If the market value of the new residential property is over HUF 15 million, but not exceeds HUF 30 million and the buyer does not provide proof of the sale of another

property, the applicable duty must be calculated as follows: first, the amount of the duty that would otherwise be paid on the total value of the housing unit must be established (4% of the market value), then the amount of the duty payable on HUF 15 million, calculated in accordance with the above method (i.e. HUF 600,000), must be subtracted from this amount. The sum that thus remains is the duty payable.

Exempt from duty is the acquisition of the ownership or share of ownership of a residential property related to the construction or purchase of new housing, the purchase or extension of a second-hand residential property purchased with family housing subsidy program (CSOK) available in small settlements, and the acquisition of ownership or share of ownership of a residential property purchased with CSOK Plus subsidised loan.

Payment facilitation: deferred payment and instalment payment with reference to the payment of duties

Deferred payment and payment instalment (hereinafter collectively referred to as "payment relief") may be granted if the person obliged to pay duty cannot pay it in one single amount until the fixed date.

Thus, payment reliefs can be granted if the payment difficulty
a) cannot be attributed to the applicant or if he has taken reasonable measures to prevent payment difficulty in a manner that can be expected in the given situation and, furthermore,
b) is of a temporary nature, that is, payment of the tax at a later time is likely.

In respect of private individuals, payment reliefs may be granted despite point a) if the applicant foresees or is able to provide some form of evidence demonstrating that payment of the tax at that very time or in a lump sum would constitute unreasonable hardship on his family, given his income and his financial and social circumstances.

There is no statutory regulation prescribing the number of instalments for which an application can be lodged.

The procedure of NTCA for deferring, paying in instalments, reducing or waiving the payment obligation of an individual, sole proprietor and business organization is exempt from the procedural fee.

The form required for the submission of such an application can be downloaded from our Hungarian website (https://nav.gov.hu). Information is also available at https://nav.gov.hu/en/taxation/payment-facility-arrangements and, alternatively, the same form is available at any Customer Service Offices of the Hungarian Tax and Customs Administration (NTCA).

Upon the request of a private individual, the tax authority may reduce or cancel payable duty debts, penalties and surcharges of the individual if payment of such duties would seriously endanger the livelihood of the person obliged to pay such duties and that of his close relatives living in the same household. The tax administration may make any reduction contingent upon the payment of part (or all) of the unpaid debt.

Notification of the acquisition of property (reporting)

The client or their legal representative must report the acquisition or termination of ownership of a real estate and any related property rights to the real estate authority for the purpose of levying the duty. This must be done by submitting the contract containing information on the transaction, together with an application for registration in the real estate register. The client or their legal representative must make the required statements/declarations for the assessment of the property acquisition duty in the tax authority's IT system or on paper to the tax and customs authority within 30 days of the duty becoming due (i.e. 30 days from the date of acquisition). The statement/declaration must include the tax identification numbers/codes of the parties, or a statement indicating their absence.

In the event of failure to fulfil the reporting obligation in connection with the property acquisition, by providing such report in default of the 30-day deadline, or by providing an incomplete report, the obligor of duty payment may be liable to pay a default penalty.

Tax authority sends an English language informative letter together with the administrative decision on assessment of the duty payment obligation to the party acquiring the property.

National Tax and Customs Administration