

Information on the conditions of automatic instalment payment that can be allowed for the debts of natural persons in the maximum amount of HUF 500,000

Dear Client,

Pursuant to Subsection (1) of Section 199 of Act CL of 2017 on the Rules of Taxation (hereinafter referred to as ART), when requested by a natural person taxpayer, including natural persons engaged in entrepreneurial activities and obliged to pay value added tax, the tax authority shall authorize instalment payment for up to twelve months without extra charges, once a year, for a maximum tax debt of five hundred thousand forints recorded by the tax authority, to the exception of obligations determined in Subsection (3) of Section 198, without examining the conditions as set out in Subsections (1) and (2) of Section 198 (automatic instalment payment allowance).

As per Subsection (3) of Section 199 of ART, if the taxpayer during the authorized automatic instalment payment fails to make a payment of any instalment by its due date, he/she shall lose his/her eligibility for the allowance and the debt shall become due and payable in a single amount. In this case, the tax authority shall charge default interest on the remaining debt from the original due date.

Based on the provisions of Act XCIII of 1990 on Duties **the proceeding is exempt from any duty.** The taxpayer or the person obliged to pay tax as per Subsection (1) of Section (59) of ART is **eligible for submitting an application/request.** Taxpayers who do not or cannot act in person (such as minors) may be represented by a representative as defined in Subsections (1)-(2) of Section 17 of Act CLI of 2017 on Tax Administration and the Regulation of Tax Administration. An ad hoc power of attorney (authorisation) may be submitted in writing attached to the application. A sample ad-hoc power of attorney for an individual, private entrepreneur proxy can be found on the website of NTCA (www.nav.gov.hu) in the menu item "*Downloads*" → "*Data sheets, certificates, power of attorney samples*" → "*Power of attorney samples*".

Based on the above if you

1. qualify as a natural person (including a natural person who carries on a business activity and also one who is liable to pay VAT) and
2. have a tax debt of up to HUF 500,000 (this amount does not include advances on personal income tax of the natural person and the income tax deducted, the amount of tax collected and the amount of the contribution deducted from the individual by the payer),

you are then eligible

- for a free of surcharge instalment payment of up to maximum 12 months,
- exempted from duty,
- once a calendar year.

You can submit your request for automatic instalment payment by post or in person at the customer services of NTCA on the enclosed, duly completed form, furthermore it is also possible to submit it electronically on the FAM01 form, which can be downloaded from the NAV website.

When assessing the application, the tax authority will examine the existence of the conditions for authorizing automatic instalment payment as detailed above. If the applicant does not meet any of the listed conditions, the application will be rejected. If this application of yours is rejected, you will have the opportunity to submit an application under the “*traditional*” payment facilitation procedure (to be assessed in accordance with Subsection (1) - (7) of Section 198 of ART).

Request for automatic instalment payment for individuals

1. Identification data

*Name of taxpayer:
* Address:.....
Tax ID for individuals / TIN:
If you are not obliged to contact the NTCA electronically and you initiate a paper-based automatic instalment payment procedure, to which address you are requesting the documents to be mailed:
Telephone number (daytime availability):

2. Application

I request that, on the basis of the provisions of Section 199 (1) of ART, a free of surcharge, ** (maximum 12) month(s) instalment payment shall be authorised on my tax debt not exceeding HUF 500,000

I hereby declare that I have read the information about the instalment payment allowance, and I take note of its contents.

Signed in _____, on _____ (day) _____ (month) _____ (year)

.....
Signature of the taxpayer (authorised person)***

* Please fill in legibly, in block capitals for clear identification!
** If you do not indicate the number of instalments requested or indicate a period of more than 12 months, the tax authority will assess the application for a period of 12 months.
*** In case of an ad hoc power of attorney, please also attach the completed power of attorney!