

Taxation of renting out or otherwise exploiting real properties

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The most widespread way of exploiting residential properties for longer or shorter terms is leasing on a permanent basis, but the shorter-term exploitation of residential properties, for mostly touristic purposes, as accommodation services (**private lodging**) is becoming more and more frequent. In addition to the taxation options of these forms of exploitation, the Information Booklet contains the rules pertaining to the **lease of arable land**. At the end of the Booklet the most **frequently asked questions**, and their **answers** can be read.

Real properties are usually exploited by private individuals and not by private entrepreneurs; thus this Booklet contains the detailed **rules pertaining to private individuals**.

The **income** of a private individual **from the lease of real property shall be income from self-employment activity** and shall be taxed as part of the consolidated tax base; the rate of the tax payable shall be 15 percent.¹ **The income from the lease of arable land² and private lodging services is considered separately taxed income** assuming, for the latter, that the private individual opts for flat rate taxation³ in relation to its tax liability.

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¹ Subsection 1 of Section 8 of the PIT Act.

² Section 73 of the PIT Act.

³ Schedule 8 of the PIT Act.

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I. Lease

1. Taxation options in the system of personal income tax

A leasing activity may be conducted by any of the following persons:

- a private entrepreneur;
- a private individual without a tax number (and registration obligation);
- a private individual with a tax number.

1.1 Special rules pertaining to private entrepreneurs

When defining private entrepreneurs⁴, the PIT Act refers to an exception: in terms of these revenues, the private individual who decides to apply the rules pertaining to the income from self-employment activities in relation to the revenues originating from the lease of real properties are not considered private entrepreneurs.

If they choose not to apply the rules pertaining to private individuals, they generate private entrepreneur’s revenues, and their income shall be assessed according to the taxation option they have chosen (private entrepreneur’s personal income tax, flat rate tax).

1.2 Leasing activity conducted without registration obligation

The private individual (natural person) taxpayer does not have to request a tax number, if all of the following conditions are met together:

- the taxable person shall not be a private entrepreneur (either in terms of their leasing activity or in terms of any other activities),

⁴ Point 17 of Section 3 of the PIT Act.

- the taxable person shall exclusively be engaged in tax-exempted leasing (letting) of real property (part of a real property) under Act Value Added Tax⁵ (hereinafter referred to as the ‘VAT Act’),
- in relation to the lease of real property, the taxable person shall not exercise their option for the taxation, in terms of value added tax,
- pursuant to the VAT Act the taxable person is not obliged⁶ to apply for a Community tax number.⁷

With regard to the regular revenue producing activity, the natural person – even without registration as a tax subject or a tax number – shall be subject to value added tax, and therefore, is obliged to issue the accounting records specified in the VAT Act. In the case of tax-exempted leasing of real properties, the issue of an accounting document in accordance with Act on Accounting⁸ (hereinafter referred to as the ‘Accounting Act’) shall be sufficient instead of an invoice.⁹ With regard to the tax exempt activity, the lack of a tax number shall not impede the tax subject in obtaining, (or producing) and issuing accounting documents. On this accounting document the name of the tax subject and their tax identity code can be indicated. (If, however, the taxable person happens to decide to use an invoice book in accordance with Decree of the Minister for National Economy on the Tax Identification of Invoices and Receipts, and on the Supervision by the Tax Authority of Electronically Stored Invoices¹⁰ (henceforward: NGM Decree) for issuing accounting documents, they shall have a tax number to purchase one¹¹, and hence need to register.)

Already registered taxable persons who have a tax number are not required to de-register as a taxable person for the reason that they meet the legal conditions laid down for leasing without a tax number, since their economic activity is not terminated; hence they need to indicate their existing tax number on their documents.

If a private individual does not take the opportunity that he is not obliged to register with the National Tax and Customs Administration (NTCA) in relation to his activity of renting out real estates, and intends to register as a taxable person, then they can do so by using the form¹² designated for such purposes, on the basis of which the NTCA will assign a tax number to them.

⁵ Point 1) of Sub section 1 of Section 86 of Act CXXVII of 2007 on Value Added Tax.

⁶ Sub-section 5 of Section 257 of the VAT Act.

⁷ Section 257/B of the VAT Act.

⁸ Act C of 2000 on Accounting.

⁹ Point a) of Subsection 1 of Section 165 of the VAT Act.

¹⁰ Decree No. 23/2014 (VI. 30.) of the Minister for National Economy on the Tax Identification of Invoices and Receipts, and on the Supervision by the Tax Authority of Electronically Stored Invoices.

¹¹ Subsection 2 of Section 6 of the NGM Decree.

¹² Form No. 25T101.

2. Revenues

Revenues originating from self-employment activities shall be considered according to the provisions of Schedule No. 2 and Schedule No. 4 of the PIT Act.

In respect of the rental of real estate property, **the fee charged by the lessor to the lessee for services provided by other persons in relation to the use of the property, purchased from such person (in particular public utility services) in proportion of use, shall not be treated as revenue.**¹³

The provision applies to fees transferred to the lessee for services purchased from another person that are related to the use of the property. Thus, for example, the favourable rule does not apply to fees charged based on insurance of the condominium association or the cleaning service provided to the condominium association, to the remuneration paid to the common representative, and to the amount paid by the residents to the renovation fund. This rule does not apply to the common cost of the condominium association transferred to the lessee, even if it contains overhead elements (e.g. water fee, garbage fee), thus, the common cost paid by the lessee to the lessor is considered to be revenue from the letting of the property, against which it is possible to settle costs.

If the lessee pays a fixed amount of rental fee, which also includes the overhead costs of the apartment, or the lessee and the lessor agree on a fixed amount of reimbursement, it is not possible to apply the above favourable rule, as, in such cases, the fee for the service will not be passed on to the lessee in proportion to the use made. In this case, the single amount rental fee or reimbursement is considered as rental revenue against which the costs incurred can be accounted for.

The rule does not apply even if the lessee of the apartment pays the exact amount measured by the meter to the lessor, who, however, pays a flat fee to the public utilities company, because the lessor does not account for the consumption with the service provider on the basis of actual consumption.

2.1 Options for deductions from the revenue in the case of leasing a residential suite¹⁴

The lessor may deduct from the rental income the sum paid, as verified, during the same year for the rental of another residential suite in another community. However, such deduction of the rental income is possible on condition that the duration of both rentals exceed ninety days and that the private individual accounts no costs in connection with the rented residential suite against their revenues from other activities or that they do not receive any compensation for the rental fee paid as verified.

¹³ Subsection 3a of Section 17 of the PIT Act.

¹⁴ Subsection 5 of Section 17 of the PIT Act.

The rule referred to above contains no restrictions whether the rented **residential suite shall be within the territory of Hungary or not**. Therefore, the rent paid in a foreign country may be deducted from the rental income. If an individual leases the property to a payer (typically not an individual but a business company), he/she can take advantage of this income reduction option during the year. In such a case, the lessor shall make a statement to the payer that he/ she intends to take into account the fee for the apartment he/she has rented for more than 90 days in another settlement when determining his or her rental income.¹⁵

Based on the statement of the individual, the payer has no obligation to assess a tax advance even if, after the application of that rule, the lessor still derives a taxable income from the lease of the apartment (i.e. the rental income exceeds the rent of the apartment rented in another settlement). In this case, the tax advance on income must be assessed by the lessor and be paid by him/her until the 12th day of the month following the quarter in which the revenue was realised and finally be declared in the annual personal income tax return.

3. Assessing the income

The income from the lease of a real property may be assessed in two different ways:

- **by applying a 10 percent expense ratio; or**
- **by itemised expense accounting.**

3.1 Applying a 10 percent expense ratio

When using this income assessment method, **90 percent of revenues shall be regarded as income, on which 15 percent personal income tax shall be paid.**

If the rental income exclusively derives from a payer, and no expenses are claimed by the private individual – with the exception of the 10 percent expense ratio –, the record keeping obligation related to their income is fulfilled by keeping the certificate issued by the payer.

During the period when the 10 percent expense ratio is applied, the depreciation allowance applicable to the purchase or production costs of tangible assets acquired during such period shall be regarded as accounted for.

In this case the taxable person shall identically apply the accounting method of their choice in the given tax year to all their incomes earned by self-employment activities, also including the reimbursement of expenses received in relation to their self-employment activities. So if the private individual requests the application of the 10 percent expense ratio to the first payment made in relation to their self-employment activity in the tax

¹⁵ Point c) of Subsection 4 of Section 46 of the PIT Act.

year, they may not request the application of the itemised expense accounting to any of their revenues generated during the tax year by self-employment activities. However, the private individual may adopt the itemised expense accounting even if they made their statement in the tax year on the 10 percent expense ratio. However, if a statement is made on itemised expense accounting, the income shall not be assessed by considering the 10 percent expense ratio when preparing the tax return.

3.2 Itemised expense accounting

Only expenses directly connected to gainful activities, actually paid during the calendar year exclusively for the purpose of generating revenues and for pursuing the activities, which are duly substantiated may be considered by the private individual as acknowledged expenses.

The following expenses may be accounted against the income, up to the amount of the income from the given activity:

- approved expenses incurred and certified in the tax year in order to pursue this activity, under Schedule No. 3 of the PIT Act;
- expenses approved without a certificate; and
- in the case of incomes deriving from the lease of real properties, pursuant to **Schedule No.11** of the PIT Act, **the time-proportional depreciation allowance and renovation cost of tangible assets exploited for lease only** (including the option of accounting for the renovation costs according to depreciation allowance even if on the basis of the investment cost of the tangible asset no depreciation allowance is accounted for), **the time- and floor space proportional depreciation allowance and renovation costs of buildings exploited not for lease only** (including the option of accounting for their renovation cost according to time or floor space proportional depreciation allowance, or the option of accounting for the renovation cost of the renovated part of real property according to the depreciation allowance even if on the basis of the investment cost of the building no depreciation allowance is accounted for).

The tangible and intangible assets used by a private individual exclusively in connection with his self-employment activity (activities) that are not used for other purposes to any extent whatsoever, and such use is clearly supported by his business records, shall be regarded as operational assets.

In the case of buildings or part of buildings, private individuals who are not leasing properties as private entrepreneurs **may account depreciation** – up to the amount not accounted yet against the revenues from any activity previously – **even if the building or part of building was acquired or its commissioning licence was issued more than three years earlier**. The base for the depreciation allowance shall not be the customary market value of the building but the purchase price. If the building is not exploited by its owner but a tenant, there is no way to account the depreciation allowance, since only the owner shall be entitled to it.

The law provides taxable persons with the opportunity to claim depreciation allowance during two tax years in the case of tangible assets the amount of which does not exceed HUF 200,000, that is to account for 50-50% of the depreciation allowance.

- flat-rate depreciation allowance of the investment costs of tangible assets in the cases specified by the PIT Act¹⁶;
- accounting the purchase price of other tangible assets;
Expenditure on the purchase or manufacture of tangible assets used exclusively for business purposes may be accounted in the year when they are incurred if their individual value does not exceed HUF 200,000¹⁷.
- the costs of repair and maintenance for the continuous, uninterrupted and reliable operation of such tangible assets.

With regard to the hiring out of any real estate in joint ownership, expenses may be verified by invoice made out to the name of either of the co-owners.¹⁸

4. Rules on tax advancement

4.1 In the case of lease to a payer

If the lessee shall be considered as a payer¹⁹, he or she is obliged to assess the tax advance from the income forming the consolidated tax base. The base of the tax advance shall be the income according to the tax advance declaration of the private individual, made on the expenses not exceeding 50 percent of the revenues. If there is no such declaration, 90 percent of the revenues shall form the base of the tax advance.

This means that the private individual may make a statement on expenses to the payer up to 50 percent of the revenues. Therefore, the payer may consider no more than 50 percent of the revenues as expense when assessing the tax advance.²⁰ However, irrespective of this, private individuals may account in their annual tax return their costs actually incurred and approved by law up to the amount of the revenues.

However, if the actually deductible expenses in their return to be prepared on the tax year are less than those declared to the payer, 39 percent of the expense difference shall be indicated as a difference penalty in their return on the tax year as a separate liability and shall be paid similar to the personal income tax liability.

The tax advance assessed shall be paid by the payer obliged to assess the tax base until the 12th day of the month following the month of payment and shall be declared.

¹⁶ Point 2 of Chapter III of Schedule No. 3 to the PIT Act.

¹⁷ Point 2 of Chapter I of Schedule No. 3 to the PIT Act.

¹⁸ Introductory text of Schedule No. 3 of the PIT Act.

¹⁹ Point 31 of Section 7 of Act CL of 2017 on the Rules of Taxation (hereinafter referred to as Act on the Rules of Taxation).

²⁰ Point aa) of Subsection 2 of Section 47 of the PIT Act.

The rate of the tax to be deducted by the payer and payable by the private individual shall be 15 percent of the income. The payer shall indicate the tax advance deducted in the return form no. 08 of the current month.

The payer shall not assess the tax advance only if the private individual verifies that they conduct their activities as a private entrepreneur, and they do not apply the provisions pertaining to private individuals in relation to their income deriving from lease or private lodging services.

Referring to what has been described in point 2.1, the payer does not have to deduct a tax advance from the revenue from renting out the apartment if the lessor, as a private individual, declares that he/she intends to take into account the rental fee of the apartment he/she has rented for more than 90 days in another settlement when determining his/her income from renting out.

4.2 In the case of lease to a private individual

If the lessee is a private individual, the lessor shall pay to the NTCA the 15 percent tax advance on their income assessed with the method applied by them on a quarterly basis, until the 12th day of the month following the quarter.

Pursuant to Act LII of 2018 on the Social Contribution Tax (hereinafter: Social Contribution Act)²¹, no social contribution tax is payable on income from the renting out of real estates.

5. Value added tax

According to the general rule pertaining to leasing services of the VAT Act²², leasing or letting of immovable property (e.g. residential property, shop) – unless the lessor, at their own discretion, renders their real estate (real estate section) rental activity subject to tax – shall be considered as a **tax exempt** service since it is other special activity, irrespective of the lessor, who is subject to VAT, or the lessee or their legal status. The following shall be excluded²³ from the exemption and therefore shall entail a tax liability:

- lease which shall be considered private lodging on the basis of its content;
- the lease of premises and sites for the parking of vehicles (e.g. leasing a garage);
- the lease of permanently installed equipment and machinery (e.g. water utility machinery);
- the lease of safes.

Under the VAT Act, in addition to the legal relationships based on a lease contract, any other relationships shall be considered as lease (revenue) during the term of which the

²¹ Point h) of Subsection 2 of Section 5 of the Szochó Act.

²² Point 1) of Subsection 1 of Section 86 of the VAT Act.

²³ Point 1) of Subsection 1 of Section 86 and subsection 2 of Section 86 of the VAT Act.

lessee pays (or is required to pay) the consideration in whole or a major part of it in exchange for using the leased article for a specific period to the lessor.²⁴

The tax exemption granted to the lease of real property shall not entail a withholding right, that is, **the lessor shall not charge/pay VAT** on the lease service; however, the lessor **shall not be entitled to a withholding right**²⁵ in relation to the value added tax charged previously on the acquisitions related to the lease.

The person renting out real properties on a regular or continuing basis on a commercial scale; shall be **considered a taxable person** liable to VAT, even if they are engaged exclusively in tax exempt leases.²⁶ (In the event where a jointly owned real property is leased, the group of owners²⁷ shall be treated as the taxable person liable to VAT. The group of owners shall exercise the obligations and rights stemming from their taxable status through their appointed representative. If no representative has been appointed, the owner holding the largest share shall be considered the representative, or the owner designated by the tax authority if all owners hold equal shares.)

The provisions of the Act on the Rules of Taxation²⁸ imply that, as a general rule, a leasing activity may be pursued if the taxable person engaged in it has a tax number (certain private individuals engaged in leasing real property may be exempt from registration and obtaining a tax number – see section I/1.2.). Private individuals – and the group of owners – shall apply to the NTCA for a tax number (if they do not have one yet, in relation to their other activities).

The lessor shall issue **a document** to the lessee on the tax exempt rental service provided by them **at least in compliance with the provisions of the Accounting Act.**²⁹

According to the general rule of the VAT Act, the following **options are available** in relation to a tax exempt lease or letting of a real property (part of a real property) pursuant to the VAT Act³⁰:

- the taxable person may establish a tax liability on the real property rental service, which is exempt from tax according to the general rule (including also the rental of a residential³¹ property) or

²⁴ Point 4 of Section 259 of the VAT Act.

²⁵ Section 120 of the VAT Act.

²⁶ Subsection 1 of Section 5 and Subsection 1 of Section 6 of the VAT Act.

²⁷ Subsection 2 of Section 5 of the VAT Act.

²⁸ Subsection 2 of Section 16 of the Act on the Rules of Taxation.

²⁹ Point a) of Subsection 1 of Section 165 of the Accounting Act.

³⁰ Point b) of Subsection 1 of Section 88 and Subsection 4 of Section 88 of the VAT Act.

³¹ Pursuant to Point 12 of Section 259 of the VAT Act, a residential property – from the point of view of the Value Added Tax – is a constructed structure registered, or in the progress of being registered, in the real estate register as a detached house or a residential suite. Any edifice, which is not necessary for the purposes of the dwelling shall not be construed as residential property, even if built adjoining the residential building, such as garages, workshops, shops and farm buildings.

- the taxable person may establish a tax liability on the (other) real property leasing activity other than a residential real property leasing activity, which is tax exempt according to the general rule (and apply the general rule to the rental of the residential property, which is tax exempt according to it).

If the taxable person opts for establishing a tax liability on their real property leasing activity, as set out above, they shall be entitled to a withholding right³² – provided the conditions specified in Chapter VII of the VAT Act are met –, that is shall be entitled to deduct the VAT due in respect of acquisitions of goods and services in their VAT return (e.g. the VAT payable on the acquisition of the real property, the VAT payable on the furniture and other equipment purchased for the residential suite, etc.).

If the taxable person opts for the tax liability, they shall be obliged to submit a prior notification; this obligation shall be fulfilled from 1 January 2018 in accordance with the VAT Act³³ by the last day of the year preceding the actual year³⁴. (If the property rental activity starts during the year, the decision must be notified before the activity starts.) Any taxable person who opted for establishing a tax liability shall remain bound to this option until the end of the fifth year following the year in which the taxable person made their choice.³⁵

The VAT Act³⁶ stipulates the provision of the Act on the Rules of Taxation³⁷, according to which the NTCA, in order to enable taxable persons to lawfully fulfil their tax liabilities and to lawfully claim central subsidies, shall publish on its official website an indication of any taxable person (including group taxable persons as well) liable for payment of value added tax who has established a tax liability on the tax-exempt sale or lease of a real property pursuant to Subsection 1 of Section 88 of the VAT Act, as well as the time when this activity has been made liable to tax.

Registration as a taxpayer liable to VAT

Any private individual who is liable to VAT and does not have a tax number yet and is not engaged exclusively in tax exempt leasing (letting) activities³⁸ must notify the NTCA of their activity on Form No. 25T101 – 25T201 for the group of co-owners – before commencement of the taxable activity.

³² Section 120 of the VAT Act.

³³ Subsection 6 of Section 88 of the VAT Act.

³⁴ The relevant rule being in effect until 31 December 2017 was discussed in Section 22 of the Act XCII of 2003 on the Rules of Taxation.

³⁵ Subsection 5 of Section 88 of the VAT Act.

³⁶ Section 88 of the VAT Act.

³⁷ Subsection 6 of Section 142 of the VAT Act and Point b) of Section 266 of the Act on the Rules of Taxation.

³⁸ Point 1) of Subsection 1) of Section 86 of the VAT Act.

The **easiest way** to submit these forms is to use the dedicated menu in the **Online Form Filling Program / Application** (<https://onya.nav.gov.hu/#!/login>). English language completion guide is also available / downloadable at the following link:
https://nav.gov.hu/en/taxation/taxpayer_registration/general-rules-of-taxpayer-registration-new

Simultaneously with the notification, the taxable person may declare – on the VAT statement page of the form referred to – to make the rental of properties liable for tax (including or excluding the rental of residential properties).

If no such statement is provided – and apart from the rental of real properties liable for tax and the tax exempt rental of real properties the private individual has no other (not tax exempt) transaction –, they shall indicate on the form that they pursue exclusively a tax exempt activity in view of its public or other special nature.³⁹ If the private individual intends to opt for individual exemption⁴⁰ (and the statutory conditions prevail) it shall be indicated in the respective part of the form. The key rules on individual exemptions are detailed in section II/6.

The NTCA issues the lessor a tax number on the basis of the notification. The private individual may be exempted from the notification obligation required for the tax number subject to the conditions contained in point I/1.2 of this Information Booklet.

³⁹ Subsection 2 of Section 16 of the Act on the Rules of Taxation.

⁴⁰ Chapter XIII of the VAT Act.

II. Accommodation service (private lodging activity)

While in the case of lease, the purpose is to permit the use of the residential suite for a longer term, in the case of accommodation services, private individuals, in addition to providing accommodation on a temporary basis, provide other services as well, such as cleaning, or providing breakfast for guests. That is, the service-like and business-like nature of the activity becomes much more conspicuous. In this case we cannot talk about lease; this kind of activity can be considered as an accommodation service providing activity.

Requirements of accommodation service activities are included in Government Decree No. 239/2009 (X.20.) on the Detailed Requirements of Pursuing Accommodation Service Activities and the Rules of Issuing Permits of Operating Accommodation (hereinafter referred to as ‘Government Decree’). In defining the concept of accommodation service the Government Regulation cites the provisions on definition of Act CLXIV of 2005 on Trade (hereinafter referred to as the ‘Trade Act’), according to which **accommodation service** is a business activity of a non-long term character which provides a place of accommodation for the purposes of stays at nights and recreation and the directly related services⁴¹.

From 26 June 2024, the definition of private accommodation has been modified. A dwelling, holiday resort or farm building suitable for human habitation, or a demarcated part and area thereof, not used exclusively for the provision of accommodation service by a private or self-employed person (sole proprietor), with a maximum of eight rooms and a maximum of sixteen beds, shall be considered **as private accommodation**⁴².

The PIT Act includes a special provision in relation to a narrower circle of accommodation service providers: private individuals who provide accommodation to the same person for less than 90 days within the tax year **within the framework of other private lodging services** under the Act on Trade – not as a private entrepreneur – shall be considered **pursuing private lodging activities**.⁴³

1. Registration

The law grants exemption from the application for a tax number exclusively in the case of value added tax-exempted real property rental activities; however, providing commercial accommodation services shall be considered as a provision of services compulsorily liable to tax pursuant to the VAT Act⁴⁴, therefore the taxable person shall be liable to be registered, pursuant to the provisions of the Act on the Rules of Taxation⁴⁵.

⁴¹ Point 23 of Section 2 of the Act on Trade.

⁴² Point 39 of Section 2 of the Act on Trade.

⁴³ Subsection 1 of Section 57/A of the PIT Act.

⁴⁴ Point a) of Subsection 2 of Section 86 of the VAT Act.

⁴⁵ Subsections 1 and 2 of Section 16 of the Act on the Rules of Taxation.

Private individuals shall send a notification to the notary of the commencement of the private accommodation service activity. The notary of the local self-government shall make out a certificate on the fact that the notification was made and the activity was registered, pursuant to the Government Decree; such certificate shall also include the type of accommodation operated by the private individual. The number of the registration shall not be indicated on the form serving the purpose of notification to the NTCA. Taxpayers may apply to the NTCA for a tax number on Form no. 25T101 (and 25T201 for the group of co-owners).

2. Itemised flat-rate taxation

Under the PIT Act, private individuals providing private lodging services may opt for a special mode of taxation – **itemised flat-rate taxation** –, providing certain conditions are met.

The private individuals providing private lodging services **may have the option** in each tax year to apply **itemised flat-rate taxation** for the entire tax year, if they are the holder in title or the beneficial owner of up to three real estates classified as private accommodation under the Act on Trade in which they pursue their activities. Flat rate taxation can be applied even if the private accommodation service is financed by the payer or the employer and is not paid by the private individual (the invoice is not issued to the private individual's name). If the number of days of the provision of the private accommodation service to the same person exceeds 90 days in the same tax year, itemised flat rate taxation cannot be applied.⁴⁶

3. Payment of itemised flat-rate tax

The annual amount of the itemised flat-rate tax is **HUF 38,400 per residential room**⁴⁷ in towns where the number of guest nights did not exceed 2 million in the second year preceding the year in question. In those towns where the number of guest nights exceeded 2 million in the second year preceding the year in question, the annual amount of the itemised flat-rate tax is 150,000 forints per residential room.

By January 31 each year, NTCA publishes on its website a list of towns where, based on data published by the Central Statistical Office, the number of guest nights exceeded 2 million in the second year preceding the current year.⁴⁸ The tax must be paid for at least one residential room per real estate property even if the private individual opting for itemised flat-rate taxation does not pursue the accommodation service throughout the particular year but accommodates guests for some months only.

⁴⁶ Subsection 1 of Section 57/A of the PIT Act.

⁴⁷ Subsection 4 of Section 57/A of the PIT Act.

⁴⁸ Number of guest nights – list of towns – in 2023, this town is Budapest

For the purposes of assessing the itemised flat-rate tax liability, **a residential room shall be deemed to be** – regardless of its size – a residential space as defined in the Act on Certain Rules Governing the Rental and Sale of Apartments and Premises⁴⁹, in which at least one sleeping place (bed or other furniture used for sleeping) can be accommodated⁵⁰.

Where a private individual has not been eligible for opting for itemised flat-rate taxation at the commencement of their activity, they shall assess tax according to the requirements on independent activities with respect to all their income from such activity; and where a private individual has legitimately transferred to itemised flat-rate taxation and, due to subsequent changes, lost this eligibility for being unable to meet either criteria, they shall assess tax according to the requirements on self-employment activities as of the first day of the quarter in which the change took place.⁵¹ A pro-rata amount of the annual itemised flat-rate tax amount shall be paid for the quarter or quarters preceding the quarter in which the change took place.

The annual amount of the itemized flat-rate tax shall be paid in equal sums by the 12th day of the month following the quarter⁵²; if the activity is terminated, it shall be paid within 15 days from the year quarter of termination.

If a private individual terminates their private lodging activity, any revenues received and expenses incurred with respect to this activity after the termination shall be considered as earned revenues and expenses incurred.

4. Special provisions on cost accounting

Naturally, **private individuals may pay taxes according to the rules pertaining to self-employment activities** instead of itemised flat-rate taxation, **if they actually meet the conditions of itemised flat-rate taxation**. If their accommodation service providing activity shall not be considered as private lodging service, they may exclusively apply to their revenues deriving from this activity the rules pertaining to self-employment activities. As regards cost accounting, in this case the rules applicable to self-employment activities shall be applied to the revenues deriving from the provision of an accommodation service by way of derogation from the provisions of section 3.2:

- in the case of revenues deriving from accommodation service providing activities under the Government Decree, pursuant to Schedule No. 11 to the PIT Act, the time-proportional depreciation allowance and renovation cost of **tangible assets exploited for lease only** (including the option of accounting the renovation costs

⁴⁹ Act LXXVIII of 1993 on Certain Rules Governing the Rental and Sale of Apartments and Premises

⁵⁰ Subsection 4b of Section 57/A of the PIT Act.

⁵¹ Subsection 5 of Section 57/A of the PIT Act.

⁵² Schedule No. 8 of the PIT Act.

according to depreciation allowance even if on the basis of the investment cost of the tangible asset no depreciation allowance is accounted),

- and the **time- and floor space proportional depreciation allowance and renovation costs of buildings exploited not for lease only** (including the option of accounting their renovation costs according to time or floor space proportional depreciation allowance, or the option of accounting the renovation costs of the renovated part of real property according to the depreciation allowance even if on the basis of the investment cost of the building no depreciation allowance is accounted) may be accounted as cost.
- Similar to lease, it is a special provision with respect to the accountability of costs that the private individual (who is not a private entrepreneur) providing other accommodation services may account depreciation for a building or edifice – up to the amount not accounted earlier against the revenues from any of their activities – even if the building was acquired or constructed more than three years earlier.

5. Social contribution tax payment obligation

In the event, the private individual providing private lodging applies the rules on self-employment or may not be considered an individual providing private lodging, he/she is liable to pay social contribution tax. 13 per cent of the income shall be paid as a social contribution tax, since private individuals – based on this activity – are not considered insured under the Social Security Act⁵³ on the basis of this activity.

If provision of accommodation services is indicated in their entrepreneur's certificate, but they apply the personal income tax rules pertaining to private individuals to the revenues deriving from this activity, they shall pay contributions pursuant to the provisions of the Social Security Act pertaining to private entrepreneurs, and social contribution tax pursuant to the Social Contribution Act.

In addition to the personal income tax and the social contribution tax liabilities, taxable persons also incur a **tourism tax** liability; they may request information on its amount at the local self-government of the community in which the building can be found.

6. Value added tax

Pursuant to the VAT Act⁵⁴, any lease which shall be considered as commercial accommodation services (rental for tourism purposes) based on its content, shall be excluded from the exemption⁵⁵, thus the provision of accommodation services, with respect to VAT, shall always be considered as an activity liable to VAT. The VAT Act

⁵³ Act CXXII of 2019 on Entitlements to Social Security Benefits and on Funding These Services (furthermore referred to as Act on Social Security).

⁵⁴ Point a) of Subsection (2) of Section 86 of the VAT Act.

⁵⁵ i.e. Point 1) of Subsection (1) of Section 86 of the VAT Act is not applicable.

classifies commercial accommodation services as an activity to be taxed at a tax rate of 5%.⁵⁶

However, private individuals conducting such activities do not inevitably incur a VAT payment liability, since the VAT Act and Government Decree 5/2025 (I. 25.) on the Increasing of the Value Limit Qualifying for Individual Tax Exemption grants taxable persons individual exemption up to the upper limit of HUF 18 million⁵⁷. The HUF 18 million amount shall be interpreted on annual level, therefore those commencing their activities during the year shall meet the condition of HUF 18 million on a time basis⁵⁸. Pursuant to the Act on the Rules of Taxation⁵⁹, at the same time as the taxpayer reports the start of his/her taxable activity, he/she shall declare his/her choice regarding the method of taxation as determined in the VAT Act, pursuance of exclusively tax-free activities or the application of a special method of tax assessment. Consequently, private individuals who have already commenced the given activity, may – except for the case described in the relevant booklet⁶⁰ – not select individual tax exemption subsequently for the current year.

Those who have already been considered as taxable persons due to conducting other economic activities and did not surpass the upper limit of HUF 18 million in the year preceding the current calendar year either, may also select individual tax exemption for the next year. This selection can be made until the last day of the year preceding the year in question, i.e. 31 December.⁶¹

When determining the amount limit stipulated in the VAT Act⁶², the price without the value-added tax must be taken into consideration in any case.

As regards individual tax exemption, it shall be taken into account that the taxable person who chooses individual tax exemption, shall not exercise a withholding right⁶³, therefore the tax charged related to his/her acquisitions (e.g. the VAT payable on the acquisition of the real property or on the furniture purchased for the residential suite) may not be deducted, and consequently may not applied for their refund.

According to the general rule, the exempt taxable person shall not be required to pay VAT or submit a VAT return⁶⁴.

⁵⁶ Subsection 2 of Section 82 and Point 5 of Part II of Schedule No. 3 of the VAT Act.

⁵⁷ Subsection 1 and 2 of Section 188 of the VAT Act and Sections 2 and 3 of Government Decree 5/2025 (I. 25.) on the Increasing of the Value Limit Qualifying for Individual Tax Exemption.

⁵⁸ Section 189 of the VAT Act.

⁵⁹ Subsection 2 of Section 16 of the Act of the Rules of Taxation.

⁶⁰ Information Booklet on the increasing of the value limit qualifying for individual tax exemption - National Tax and Customs Administration.

⁶¹ Subsection 2 of Section 192 of the VAT Act.

⁶² Subsection (2) of Section 188 of the VAT Act

⁶³ Point b) of Subsection 2 of Section 187 of the VAT Act.

⁶⁴ Point a) of Subsection 2 of Section 187, and point ba) of Subsection 2 of Section 257 of the VAT Act.

The obligation to provide supporting documents also applies to taxable persons who are tax exempt. The taxable person shall issue an invoice in respect of the accommodation service upon the guest's request. In case the guest does not request an invoice and the payment does take place when the guest leaves at the latest), a receipt shall be issued⁶⁵. Accommodation service providers (with the exception of village accommodation service) will have to meet their obligation to issue receipt by means of cash registers.⁶⁶ Exempt taxable persons shall also issue an invoice or receipt, but they shall also ensure to indicate on the invoice that they provide the service as a tax exempt taxable person.⁶⁷ For example, it is sufficient to mark the invoice as 'AM' (short for 'individual exemption' in Hungarian).

The detailed information on the obligation of issuing invoices and receipts are included in the Information Booklet entitled 'Main Rules on Issuing Invoices and Receipts'.

7. Tourism development contribution on commercial accommodation services

From 1 January 2020, a commercial accommodation service provided for consideration in accordance with the VAT Act (hereinafter: service subject to the payment of contribution) shall be subject to a tourism development contribution.⁶⁸ A person who provides such a service is obliged to pay a tourism development contribution. This obligation also applies if the taxable person opts for an individual tax exemption, i.e., if the taxpayer does not have to pay VAT on the commercial accommodation service.

As of 1 January accommodation services provided as intermediated services⁶⁹ and imposed by 5 percent tax – but not according to the rules of margin taxation – are not subject to tourism development contribution⁷⁰.

Any person or organization that provides a service subject to the payment of contribution on its own behalf is liable to pay the contribution. The tax liability is clearly linked to the service subject to the contribution, thus, in the event that the taxpayer does not provide a service subject to the payment of contribution in the given tax return period, he/she is not obliged to file a tax return and to make the payment of tax either.

⁶⁵ Point b) of Subsection 1 of Section 165, and Subsection 1 of Section 166 of the VAT Act.

⁶⁶ Sub-point 7 of Point b) of Schedule no. 1. of the Decree no. 48/2013 (XI. 15.) issued by the Ministry of National Economy on the Technical Requirements for Cash Registers, the Marketing, Use and Servicing of Cash Registers for the Issue of Receipts and the Provision of Data Recorded on Cash Registers to the Tax Authorities.

⁶⁷ Point m) of Section 169 of the VAT Act.

⁶⁸ Subsection 1 of Section 261 of Act LXVI of 2016 on the Amendment of Certain Tax Laws and Other related Laws, as well as that of Act CXXII of 2010 on the National Tax and Customs Administration (hereafter: Certain Tax Laws Act).

⁶⁹ According to section 15 of the VAT Act.

⁷⁰ Subsection (1a) of Section 261 of Certain Tax Laws Act.

The basis of the contribution is the consideration for the service subject to the payment of contribution, excluding value added tax.⁷¹ The stipulations of the sections 80-80/A of the VAT Act shall be applied accordingly in order to exchange the consideration determined in foreign currency to Hungarian Forints⁷². The contribution rate is 4 percent.⁷³

The contribution must be assessed and declared in accordance with the rules of self-assessment on an electronic form provided for this purpose. In 2025, the standardized electronic form for this purpose is called: 25TFEJLH.

The person required to pay the tourism development contribution shall declare and pay the contribution according to the applicable VAT return period, by the deadline for submitting the VAT return (i.e. in the case of a monthly tax return filer, by the 20th day of the month following the month in question, in the case of a quarterly tax return filer, by the 20th day of the month following the quarter in question and in the case of a person subject to an annual declaration, by 25 February of the year following the year in question).⁷⁴

For the period for which the person obliged to pay the contribution is otherwise not obliged to submit a VAT return (e.g. he/she is subject to individual VAT exemption), the contribution must be declared and paid by 25 February of the year following the date of service delivery according to the VAT Act on the service subject to the payment of contribution.⁷⁵

III. The lease of arable land⁷⁶

With view to VAT Act⁷⁷, private individuals have no notification obligation if they become liable to VAT exclusively due to leasing or letting a landed area whose type of cultivation is arable land.

Lease of arable⁷⁸ land means the lease of land or fish pond by a private individual owner or beneficial user of arable land for agricultural, forestry or fishing purposes, based on a written agreement for one or more years for which the owner or beneficial user is paid a fee. Although fishing lakes shall not be considered as arable land, but if they are leased, the provisions concerning arable land shall be applied.

⁷¹ Subsection 3 of Section 261 of Certain Tax Laws Act.

⁷² Subsection (3a) of Section 261 of Certain Tax Laws Act.

⁷³ Subsection 4 of Section 261 of the Certain Tax Laws Act.

⁷⁴ Point a) of Subsection 6 of Section 261 of the Certain Tax Laws Act.

⁷⁵ Point b) of Subsection 6 of Section 261 of the Certain Tax Laws Act.

⁷⁶ Arable land shall mean the land exploited for agricultural or forestry purposes, as defined in Act CXXII of 2013 on Agricultural and Forestry Land Trade.

⁷⁷ Subsection (5) of Section 257 of the VAT Act.

⁷⁸ Point 53 of Section 3 of the PIT Act.

All revenues deriving from the lease of arable land – unless exempt from tax – shall be *separately taxed income*⁷⁹, on which the rate of tax shall be 15%.

This kind of income is **exempt from tax** if the term of the lease, as stipulated in the relevant agreement (contract), is five years or more.⁸⁰ If such contract is terminated for any reason (not including reasons beyond the parties' control or the termination with immediate effect) within five years the tax which was not paid previously on the income earned under the contract must be paid with a default penalty. The private individual must assess and pay the tax, increased by default penalty, as a liability for the year of termination of the contract.⁸¹

Calculation of the taxable income deriving from the lease of arable land; bookkeeping

Revenues obtained under this title must be registered in the revenue register. The revenue register does not need to be attested. No revenue register has to be kept if the revenue from the lease originates only from the payer. In that case the private individual fulfils the obligation to register the revenues by keeping the document of certification issued by the payer.

Declaration of the income and payment of the tax

The private individual **does not need to declare** the income from the lease of arable land, **if** it originates from the payer and the payer deducted the tax, or if the income from the lease of the arable land is exempt from tax.

The tax return shall be **submitted to the tax authority of the local self-government**⁸² competent according to the location of the land. If the land is situated on the administrative area of Budapest, the notary of the City of Budapest shall be regarded as the tax authority of the local self-government.

In respect of a private individual receiving income from the lease of land located within the area of competence of more than one self-government, the tax must be declared and paid separately to each tax authority of the self-governments.⁸³

If the income from leasing land is received from a payer, the tax on such income (rent or land allotment) shall be assessed, deducted, declared and paid by the payer. A payer shall not be subject to the obligation of tax assessment where the lease contract concluded with the private individual is for a term covering the minimum duration set as a condition for

⁷⁹ Subsection 4 of Section 17 of the PIT Act.

⁸⁰ Point 9.4.1 of Schedule 1 to the PIT Act.

⁸¹ Point 9.4.2 of Schedule 1 to the PIT Act.

⁸² Subsection 1 of Section 73 of the PIT Act.

⁸³ Subsection 2 of Section 73 of the PIT Act.

tax exemption⁸⁴. The payer must issue a certificate to the private individual on the rent paid by them and on the deducted tax.

A payer shall pay the tax deducted by the 12th day of the month following payment and shall submit a tax return on the deducted tax by 25 February of the year following the tax year, to the tax authority of the self-government competent according to the location of the land.⁸⁵

If the payer did not deduct the tax or if the payer paid the rental fee in kind, the 15 per cent tax shall be paid by the private individual by the 12th day of the month following the quarter in which the income was earned.

If the lessee is a private individual, the lessor private individual is obliged to assess, declare and pay the tax on the rental fee. The declaration must be filed and the tax must be paid to the self-government competent according to the location of the land on the appropriate form by 20 March of the year following the year in which such income is earned.

Value added tax

Under the VAT Act, leasing or letting arable land shall be considered as leasing or letting real property, therefore the provisions set out in section I/5 shall be applicable to this kind of activity.

It is also applicable to the lease of arable land that the private individual taxable person may be exempted from the registration obligation prescribed for obtaining a tax number. Section I/1.2 includes the relevant rules.

IV. Frequently Asked Questions

1 As a private individual without a tax number, can I issue an invoice on the rental fee?

In this case you will not be able to issue a document under the VAT Act (invoice, receipt); you will be able to issue an accounting document only, which, by all means, shall contain the name and tax identity code of the lessor private individual. For the purchase of an invoice book you will need a tax number, which may be applied for by completing Notification and Change Notification Form No. "T101 and submitting it to the NTCA.

2 What form shall I use for notification and what licence shall I apply for in order to be able to conduct private accommodation services, and what ÖVTJ

⁸⁴ Subsection 3 of Section 73 of the PIT Act.

⁸⁵ Subsection 7 of Section 73 of the PIT Act.

(short for ‘Nomenclature for the activities as self-employed persons’ in Hungarian) code shall be indicated on the notification form?

Primarily, you shall apply for a tax number on Form No. ‘T101, and shall report your operation of accommodation services to the notary of the community in which the real property is situated. In field 7 of page A01 of the above-mentioned form, you shall enter ÖVTJ code 552002⁸⁶.

3 May I choose itemised fat-rate taxation if I intend to pursue private lodging activities in several residential suites which I rent?

Private individuals pursuing a private lodging activity shall mean the person who – not as a private entrepreneur – provides accommodation to the same person for less than 90 days within the tax year within the framework of private lodging services as stipulated in the government decree.

For any private individual with more than one residential or resort property, the option to select itemised flat-rate taxation shall be available only if they use three of these for private lodging services at the most. In the case of a rented residential suite itemised flat-rate tax may not be chosen, since it shall not constitute either ownership or registered beneficial ownership.

4 How shall I indicate if I intend to apply itemised flat-rate tax?

Taxpayers can notify the tax authority of their selection of itemised flat-rate tax for the current year in a statement attached to the annual tax return concerning the previous year – which shall be filed before the deadline –, or at the time of commencing the activity, within the framework of registering with the NTCA.

5 As a payer, do I need to deduct any tax advance from the rent which I pay if the lessor is not a private individual with a tax number?

The payer shall not deduct the tax advance if the private individual verifies that they conduct their activities as a private entrepreneur⁸⁷, and they do not apply the provisions pertaining to private individuals in relation to their income deriving from lease or accommodation services. If the private individual does not make any statement on their expenses, 90 percent of the revenue shall be considered as income by the payer. An exception to this is if the individual declares in a statement of expenditure that he/she reduces his/her income from renting out his/her apartment by the rental fee for renting an apartment in another settlement for a period of more than 90 days.

6 May I account depreciation on the residential suite which I received as a present (or inherited) from my parents and let?

From 1 January 2015, no depreciation allowance may be accounted on tangible assets (moveable and immoveable properties) acquired without consideration

⁸⁶ Based on Annex 1 of KIM Decree No. 36/2011 (XII. 23.) on the Introduction and Application of the Nomenclature for the Activities of Self-employed Persons.

⁸⁷ Subsection 4 of Section 46 of the PIT Act.

(e.g. by way of inheritance or donation).⁸⁸ This also means that the accounting of depreciation commenced before 1 January 2015 on the tangible asset acquired without consideration shall be ceased.

7 I lease real property as a foreign private individual; are the same rules applicable to me as to a lessor with residence in Hungary?

The opportunity to choose between taxation methods and the fulfilment of the tax declaration obligations (in a given case, obtaining the permit) are applicable to You as if you were a private individual with residence in Hungary, since your income generated from the exploitation of real property shall become taxable in the state in which the real property is situated.

8 I work in Austria for the entire year as a Hungarian national, I have Austrian A1 certificate since I am insured there, and at the same time I lease my residential suite in Hungary. Shall I pay social contribution tax on my rental income?

Neither a resident nor a non-resident taxpayer is liable to pay social contribution tax on rental income.

9 May I account for the instalment of my housing loan paid on my leased real property as cost?

With respect to the fact that the entire purchase price of the real property – which shall be the price included in the sales contract and shall contain the loan amount as well – forms the base of the depreciation allowance, the loan instalment shall not be accounted for as separate cost.

10 In my tax return, how shall I indicate the rental fee received during the year? Do I have to pay tax during the year?

If you are not taxed as a private entrepreneur, the rental fee will be taxable as income from self-employment activity; you have to enter the amount in the row designated to this category in your tax return. During the year, lessors shall pay a tax advance if they do not lease their real property to a payer. If the lessee is considered as a payer, they shall assess, deduct and pay the tax advance from the amount of the rental fee. An exception to this is if the individual declares in a statement of expenditure that he/she reduces his/her income from renting out his/her apartment by the rental fee for renting an apartment in another settlement for a period of more than 90 days.

11 How shall we pay taxes on our jointly owned real property?

In case of a jointly owned real property – unless the owners otherwise agree or in the absence of any restrictions on ownership – the private individual shall be liable to pay tax on the income originating from the lease of the real property according

⁸⁸ Sub-point c) of Point 2 of Chapter II entitled ‘The Rules of Depreciation Allowance’ of Schedule No. 11 to the PIT Act.

to their proprietary ratio. Expenses incurred against revenue can be accounted for on the basis of a receipt issued in the name of any co-owner.

12 The lessee of our residential suite – who is not liable to VAT – has carried out renovations to the real property; how shall I treat the compensation of the renovation work if we agreed that no rental fee shall be paid in return for half a year?

If the renovations are carried out as a compensation for the rental fee of a determined number of months, this amount shall form a part of the lessor's revenue at the time when the renovations are finished the latest.

13 How shall I declare income from the lease of arable land if the land lease fee is determined in crop?

The lease fee agreed in produce shall be the compensation of the leasing activity, therefore it shall be liable to tax under this title. The alienation of the produce obtained this way shall be considered as the sales of moveable property; in order to verify its purchase value, the certificate issued by the lessee on the performance of the lease fee in produce may be admitted.

Given that the lessor of the arable land is always subject to VAT, in addition to having to issue an accounting document or invoice for the lease, the sale of the crop obtained as consideration for the lease, is subject to the VAT Act, and as such, a receipt or invoice must be issued. If the lessee is also a taxable person under the VAT Act, he/she shall issue an invoice for the sale of the crop. In the case of such an exchange, both transactions must be considered separately, with one being the consideration for the other.⁸⁹ For example, if the rent for the arable land is HUF 100,000, the lessee shall issue an invoice for the sale of crops in worth of HUF 100,000.

14 May I account the collective maintenance fee paid by lessees as cost?

In case of leasing a residential suite in a condominium, the collective maintenance fee may be accounted as cost against the income regardless of whether it contains water usage, waste charge or any other costs.

15 As a private entrepreneur I use an office of my own property; may I account rental fee as cost on it?

With regard to the fact that the private individual shall not be a separate taxable person with respect to their private entrepreneur status, in the absence of a legal relationship you cannot conclude a lease contract with yourself, and therefore you cannot account any costs under this title against your entrepreneurial income, either.

⁸⁹ Section 66 of the VAT Act.

16 How shall I provide proof if I want to deduct the rental fee of the residential suite which I am renting from my rental income?

The lease contract is proven by the lease contract, while the payment of the fee shall be verified by an invoice or accounting document (if the lessor has not applied for a tax number) issued by the lessor private individual. However, it is important to highlight that the revenues shall be declared even if the amount paid as the rental fee of the rented residential suite in the tax year equals to or exceeds the revenues.

17 Providing private lodging services, I chose itemized flat-rate taxation last year. I am currently in need of an income certificate to take out a bank loan. Will my income from private lodging services, which is the largest part of my annual income, be included in the income certificate?

Given that a private individual opting for flat-rate taxation in relation to carrying out an activity of rendering private lodging services does not have to include his/her revenue from this activity in his/her tax return, but the amount of itemized flat tax to be paid according to the number of rooms only, thus, the income actually realised cannot appear in the income certificate either, as the NTCA is not aware of it. Thus, this favourable form of taxation may indeed be disadvantageous in the event that the accommodation provider needs to prove the income from this activity due to borrowing.

In the event that an accommodation provider opted for itemized cost accounting or 10% cost accounting, the certificate would include the declared income from this activity.

18 As a lessor, can I account for the municipal tax and/or building tax paid to the local government as an expense against my income?

The building tax is a property-type public burden that shall be paid even if the private individual does not rent the property. That is, it is not a public burden related to self-employment activity, and therefore, cannot be accounted for as an expense. However, if it can be demonstrated that the building tax liability (or the liability of a higher amount of it) on the property is triggered by the revenue-generating activity of the individual - because, for example, the individual rents out the building - then, in this case, there is no objection to accounting for the building tax (or the additional amount of tax) as an expense.

As the tourism tax is not related to self-employment activity either and is not borne by the individual renting out the property, it cannot be accounted for as an expense.

19 From 2019, a favourable rule is that in respect of the rental of real estate property, the fee charged by the lessor to the lessee for services provided by other persons in relation to the use of the property, purchased from such person (in particular public utility services) in proportion of use, shall not

be treated as revenue. Can I apply this rule to the common cost paid by the lessee?

The favourable rule applies to the fee transferred to the lessee for services purchased from another person which are related to the use of the property. Thus, the amendment of the rule does not apply, for example, to the insurance of the condominium association and the cleaning of the apartments operated by condominium associations, the remuneration paid to the common representative as well as to the amount paid by the residents to the renovation fund. Moreover, this rule does not apply to the common cost of the condominium association transferred to the lessee, even if it contains overhead elements (e.g. water fee, garbage fee), thus, the common cost paid by the lessee to the lessor is considered to be revenue from the letting of the property, against which it is possible to settle costs.

20 If I rent out the property for a fixed amount, which also includes the overhead cost of the apartment, or if we agree with the lessee on a fixed amount of reimbursement of expenses, can I apply the new rule?

In these cases, the favourable rule does not apply because the service fee is not passed on to the lessee in proportion to the usage, thus, a one sum rent or expense reimbursement is considered as rental revenue against which the costs incurred are eligible.

21 Can I apply the new rule if the lessee of the apartment pays me the exact amount measured by the meters, but I pay a flat rate fee to the public utility companies?

Even in this case, it is not possible to apply the favourable rule because the lessor does not account for the consumption on the basis of actual consumption with the utility providers.

22 Where can I find the list of towns where the itemised flat-rate tax is 150,000 forints?

By January 31 each year⁹⁰, NTCA is required to publish on its website a list of towns where, based on data published by the Hungarian Central Statistical Office (KSH), the number of guest nights exceeded 2 million in the second year preceding the year in question.

The list of towns is accessible at the link below:

[Number of guest nights - list of towns - National Tax and Customs Administration](#)

⁹⁰ Based on the transitional provision of the Act on Personal Income Tax, NTCA is required to publish the list of towns referred to above for the first time by 15 January 2025.

23 Which is the town where the amount of itemised flat-rate tax of 150,000 forints must be paid per residential room?

Budapest is the place where the number of guest nights went over 2 million in 2023.

National Tax and Customs Administration