

9. I am aware of the contents of the statement of the private person. I will determine the tax advance of the private person based on this statement.

Name of payer or employer:

Tax number of payer or employer: □□□□□□□□-□-□□

Date

.....

Authorised signature

Guide

to the tax advance statement about costs

What you need to know about the statement

The payer does not have to assess an advance tax

- on the income from activities of a small-scale farmer, if the individual proves his/her small-scale farmer status at the latest at the time of payment,
- on entrepreneurial income if the sole proprietor enters the number of the public document proving his entrepreneurial status in the required document.

Who should this statement be given to?

Please fill in this statement in two copies, and hand it over to the payer before the accounting of your emoluments! One copy of the statement shall be retained by the payer, and the other copy shall be retained by you, together with the documents supporting the production of the tax return, within the term of limitation, i.e., until the end of the 5th year following the submission of the tax return. It is not necessary to present the documents certifying the costs that occurred in connection with the activity, it is enough to retain them.

What to do when data change?

In case of any changes in the data provided in the statement, you are obliged to make a new statement or withdraw your previous statement without any delay.

If you request the deduction of your actually incurred itemized costs, and the costs deducted on the basis of your statement exceed the costs subsequently shown and actually certified in your tax return by 5 per cent of the costs specified in the statement, then you will be required to pay a penalty of 39 per cent on the difference, and if this generates a payment difference of more than HUF 10 thousand on the basis of your tax return, you shall pay a penalty of 12 per cent, too.

Completing the tax advance statement

Point 1: you may ask for two types of cost deductions from your income from self-employed activities, for example from your commission, for the definition of the base of the tax advance: either the use of a cost ratio of 10 per cent, or the use of costs according to itemized expense settlement. In the case of selecting the itemized expense accounting, the expenses taken into consideration by the payer at the time of assessing the tax advance may not exceed 50 per cent of the income. If certified costs exceed 50 per cent of the income, that can be claimed at the end of the year, in the tax return.

If you do not make a statement, and no other eligible costs accounted for without certificates occur, the payer will automatically use the 10 per cent expense ratio in the case of self-employed activities, i.e., 90 per cent of the income will be considered as your earnings for the definition of the tax advance.

You are required to apply consistently either the 10 per cent cost ratio, or the itemized cost accounting in the same way for all your incomes from self-employed activities in the fiscal year, including reimbursements received for self-employed activities.

However, if the tax advance bases were defined by deducting the 10 per cent cost ratio, you may still use the itemized cost accounting for the definition of the tax base in your tax return, provided that you do not enforce the deduction of the 10 per cent cost ratio for any other incomes, either, in your tax return. If you selected itemized cost settlement for the tax advance, you may not use the 10 per cent cost ratio in your tax return at the end of the year.

Point 2: the provisions of point 1 are valid for reimbursements received regarding self-employed activities, too, the only difference is that the 50 per cent limit does not apply to reimbursements.

Point 3: in the case of incomes from not self-employed activities, e.g., from employment relation, an expense statement may be provided only if the payer or the employer pays reimbursements, too. **If you do not ask for cost deduction and have no costs that could be recognised without certificate according to the law, either the total amount of the reimbursement shall be considered in the definition of the tax advance base.**

Point 4: You may also declare that you wish to deduct expenses that can be recognised without certificates from the amount of the cost reimbursement related to non-independent activity. In such cases, all other costs shall be considered accounted, so neither expense ratio, nor additional recognised expenses can be considered against the income.

Point 5: if you let out an apartment as a private person, you have the possibility of deducting the certified rent of a flat rented in another town, from that income. On the other hand, you may reduce your income under this title only if the period of the rents exceed 90 days, and the private person does not settle costs in connection with the rented flat, against income from other activity, or the certified rent paid by you is not refunded, even in part¹.

You may indicate it to the payer tenant that you use this rule. In such a case, the payer shall not determine any tax advance. Should you still have taxable income from renting the flat, you have to determine the tax advance on this income and pay it until the 12th day of the month following the benefit.

Point 6: if you make this statement as a driver or driver's companion employed in domestic cargo or passenger transport, then, from your income received under the title of domestic mission exceeding 6 hours a day - as cost recognised without certificate - you may request the deduction of a flat daily allowance of HUF 9000 per day².

If you use this settlement method, it is only costs directly related to the domestic operation of the car, certified with invoice or other document that you can account in addition to that. In the application of this rule, the category of domestic road transport services subject to licence includes the cargo or passenger transport activities for own purposes, in other words on own account, which could be legally extended to other persons as domestic road transport subject to licence.

¹ Based on Section 17 (5) of Act CXVII of 1995 on Personal Income Tax.

² Government decree 437/2015.on the reimbursement of expenses to employees on domestic official missions. (XII. 28.)

A daily allowance may be accounted under this legal title if the period of the stay exceeds six hours per day, and the employer does not apply Article 3 of the Government decree for the mission, and no other benefits are provided on the extra costs of the mission, for instance accommodation and travel costs are not reimbursed.

Point 7: if you make this statement as a driver or driver's companion involved in international transport of goods and passengers, performing a foreign mission as an employee, or a foreign mission ordered by the payer, you may deduct a HUF amount corresponding to EUR 85 from your daily allowance - as costs recognized without certificate - from your income received under the title of foreign mission³. In such a case, you may account only costs directly related to the operation of the car abroad, certified with invoices and other documents. As such, an amount paid for accommodation abroad is not considered an acknowledged cost.

You shall also enter here if you wish to account for, without any evidence, a HUF amount equivalent to EUR 85 per day as a private individual working also abroad in international water and air transport of goods and passengers on board of a vehicle engaged in international transport.⁴

Point 8: if you make a statement in this point, your statement made in points 1-7 will be taken into consideration by the payer or the employer continuously within the fiscal year, until the statement is withdrawn. If you do not make a statement in this point, the payer or the employer will consider the statement made in points 1-7 for the given payment only.

Point 9: This point is filled in by the employer.

³ Government decree 285/2011. (XII. 22.) on eligible costs associated with business assignments to a foreign country.

⁴ Point 12 of Chapter II in Annex 3 of Act CXVII of 1995 on Personal Income Tax.