

Guide
to the declaration on non-application of all or part of the
allowance for young people under 25

What you need to know about the declaration

If you are eligible for the benefit for young people under 25, **your employer or payer will automatically take it into account as long as you do not opt out of it by declaration in whole or in part.** A declaration shall be made if you decide not to take the allowance into account or if you only want part of the allowance to be considered when calculating the tax advance.

Who should this declaration be given to?

To have the allowance waived, in whole or in part, by your employer or paying agent, you must give two copies of this declaration to him/her. One copy of the declaration must be kept by the employer (payer) and you should keep the other copy, together with the documents required for the preparation of the tax return, within the term of limitation, i.e., until the end of the 5th year following the year of submitting the tax return.

If you do not make a declaration of having the allowance waived in whole or in part, and therefore a tax liability of more than HUF 10,000 arises in your tax return, you will have to pay 12% of this amount as a differential penalty together with the tax arrears.

Who gets the allowance?

The allowance is available to young people under the age of 25.

How much is the allowance?

The allowance for young people under the age of 25 reduces the amount of certain income included in the consolidated tax base of a young person under the age of 25. In 2025, the amount of the allowance is HUF 656 785 per month of eligibility, which means a tax saving of HUF 98 518.

What income is involved?

The tax allowance may reduce, for example, the income from wage, contractual fees, income from farming activities, the flat-rate income or entrepreneurial withdrawals of private entrepreneurs.

What to do when data change?

If the information provided in the declaration changes, **you must immediately make a new declaration** or withdraw the previous declaration.

Under what conditions can a foreign individual claim the allowance?

If you are a foreign private individual, from 2025 you can claim the allowance for young people under 25 if you are a national of an EEA country or a non-EEA country bordering Hungary (Ukraine, Serbia) and meet the following conditions.

To be eligible for the allowance for young people under the age of 25, you **must not have previously received or currently be receiving** a similar **allowance** for the same period **in another country**.

A foreign tax resident individual may claim the allowance in Hungary only if **75 percent of his/her total income** - including income that is not taxable in Hungary - earned in the tax year **is taxable in Hungary**.

If you are a foreign tax resident, you must also complete the declaration titled “Supplementary declaration for foreign tax resident private individuals for claiming tax base allowance” and submit it to your employer (payer) in order to claim your allowance. The tax identification code must also be entered in this case.

Examples

A young person under 25 has two employers. In one job he/she earns HUF 500,000 a month, whereas in the other he/she earns HUF 200,000 a month. His/her individual incomes do not exceed the tax-exempt amount, but together they do (700 000>656 785). The young person should submit an advance tax declaration to both of his/her employers to ensure that the total allowance claimed does not exceed the maximum amount allowed. However, he/she may choose how much and which of his/her income he/she wishes to benefit from.

You can, for example, ask for the allowance to be considered in this way:

	Case 1	Case 2	Case 3
first employer	500 000	456 785	450 000
second employer	156 785	200 000	206 785

The reason why both employers need a declaration is that if you receive additional income, such as a bonus, in addition to your salary, the employer will also apply the allowance to it without a declaration.

For example, in case II, if the second employer pays the young person a bonus of HUF 100,000 and has not received a declaration that the allowance will not be taken into account for the bonus above HUF 200,000, it will also be taken into account for the bonus, i.e. ineligible claim for the allowance.

If the young person declares to only one of his/her employers that **he/she does not want the allowance to be taken into account**, he/she does not have to make a declaration to the other employer, who will only apply the allowance up to the amount of the allowance.

If the allowance at the time the tax advance is calculated is not taken into account, you can do so subsequently in your tax return if you have income that is the basis for the allowance.

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