

Local Business Tax for Small Businesses

All taxpayers registered for Small Business Tax (KATA) are eligible for simplified Local Business Tax payment by law. By choosing this opportunity the base of the tax will be 2.5 million HUF per local municipality.

The maximum taxrate is 2% by law, but the municipalities can choose a lower rate to attract investors and companies. This means that the yearly tax for a small business, who have only one business seat is

50 000 Ft yearly.

The taxpayer have to pay the tax every year in two same parts at

15th of March and at 15th of September.

There isn't anything else to do regarding local business tax payment for the taxpayer including statutory reporting or any kind of official calculation or declaration.

The taxpayer have to prepare a tax declaration until 1st of January regarding local business tax only if

- the taxpayer's tax status was inactive, so the tax amount will be less than the full year amount
- he/she is eligible for anykind of taxexemption rule at the local municipality.

This decision is valid for the whole business year. The taxpayer is allowed to change the deceison until 15th of Februray.