

## TaxAlert

Januar 2010

### ***Wealth tax regulations***

*In this tax alert we would like to summarise the newly implemented wealth tax regulations.*

Wealth tax has been introduced as of January 1, 2010. The subject assets for wealth tax are the real estate, watercraft, aircraft and high-powered automobiles. Wealth tax advance should be paid by May 20, 2010 and September 30, 2010 and the wealth tax return deadline is the personal income tax return submission deadline of the related tax year (i.e. the 2010 wealth tax should be reported by May 20, 2010, as an attachment to the personal income tax return). If the individual is not obliged to submit an individual income tax return, the wealth tax return may be submitted separately.

**Real estate:** The taxpayer is the individual or organization, which is the owner of real estate in Hungary on 1 January of the tax year or which has beneficial rights over the Hungarian real estate registered with the Hungarian Land register Office. In case of joint property, the owners are liable to pay tax according to the proportion owned. The tax should be paid by reference to the 1 January market price of the real estate. The tax table is progressive and the tax rates are as follows:

Tax bracket	Tax payable
1 - 30 000 000 HUF	0.25%
30 000 001 – 50 000 000 HUF	0.35% + 75 000 HUF
50 000 001 HUF –	0.50% + 145 000 HUF

Tax allowances are also available. For example, families with at least with three children are entitled to deduct a certain percentage per child from the payable tax. This benefit is only available if they are registered at that address and actually live there.

The law also determines certain exemptions, e.g. every house under 30 000 000 HUF is free from taxation, if the real estate is the registered home of the owner, who lives there.

A tax return should be filed if the tax payment liability arises or if the calculated value of the real estate is higher than HUF 30 million, however, the fair market value is below this amount.

**Watercraft and Aircraft:** Those watercraft and aircraft which are registered in Hungary, or which are registered abroad but the owner is a Hungarian tax resident, are subject to wealth tax. The taxpayer is the registered owner of the vehicle on 1 January. The tax is determined as a lump sum amount. In case of watercraft the basis of the tax is the surface of the sail or the power in kW, and the payable tax depends on the age of the vehicle. The basis of the aircraft tax is the largest flight weight indicated in the vehicle's official certificate and depends on the age of the vehicle and the act also differentiates between vehicles with motor and other vehicles.

**High-powered automobiles:** A motor with higher than 125kW driving power is subject to tax. The tax should be paid by the registered owner of the vehicle (i.e. the registered owner on 1 January of the tax year). The basis of the tax is the kW power ( $HP / 1.36$ ), the tax payable is determined based on the Act on company car taxes, and it increases proportionately to the power. There are also available tax allowances, e.g. family at least with three children have 50% allowance from the payable tax for one car. The car tax due for the year may be deducted from the wealth tax amount payable.

### **Partners**

**Michael Glover**

Partner  
+36 1 887 7405  
[michael.glover@kpmg.hu](mailto:michael.glover@kpmg.hu)

**Gergely Demetrovics**

Partner  
+36 1 887 7366  
[gergely.demetrovics@kpmg.hu](mailto:gergely.demetrovics@kpmg.hu)

**dr. Csaba László**

Partner  
+36 1 887 7420  
[csaba.laszlo@kpmg.hu](mailto:csaba.laszlo@kpmg.hu)

**Philippe Norré**

Partner  
+36 1 887 7449  
[philippe.norre@kpmg.hu](mailto:philippe.norre@kpmg.hu)

**Gábor Beer**

Partner  
+36 1 887 7329  
[gabor.beer@kpmg.hu](mailto:gabor.beer@kpmg.hu)

### **Mergers & Acquisitions Group**

**dr. Zoltán Kádár**

Manager  
+36 1 887 7404  
[zoltan.kadar@kpmg.hu](mailto:zoltan.kadar@kpmg.hu)

### **Indirect Tax Group**

**Balázs Földes**

Senior Manager  
+36 1 887 7232  
[balazs.foldes@kpmg.hu](mailto:balazs.foldes@kpmg.hu)

**dr. Tamás Kosztolányi**

Senior Manager  
+36 1 887 7256  
[tamas.kosztolanyi@kpmg.hu](mailto:tamas.kosztolanyi@kpmg.hu)

**dr. Zsolt Kovács**

Manager  
+36 1 887 7467  
[zsolt.kovacs@kpmg.hu](mailto:zsolt.kovacs@kpmg.hu)

**Regina Simon**

Manager  
+36 1 887 7472  
[regina.simon@kpmg.hu](mailto:regina.simon@kpmg.hu)

### **Tax Advice for the Financial Services Sector**

**Gábor Farkas**

Senior Manager  
+36 1 887 7415  
[gabor.farkas@kpmg.hu](mailto:gabor.farkas@kpmg.hu)

**Bálint Gombkötő**

Senior Manager  
+36 1 887 7159  
[balint.gombkoto@kpmg.hu](mailto:balint.gombkoto@kpmg.hu)

**Balázs Pethő**

Senior Manager  
+36 1 887 7368  
[balazs.petho@kpmg.hu](mailto:balazs.petho@kpmg.hu)

**Géza Tomory**

Manager  
+36 1 887 7199  
[geza.tomory@kpmg.hu](mailto:geza.tomory@kpmg.hu)

### **International Tax Structures Group**

**Tamás Mlinárik**

Director  
+36 1 887 7498  
[tamas.mlinarik@kpmg.hu](mailto:tamas.mlinarik@kpmg.hu)

### **Personal Income Tax Group**

**Gabriella Nink**

Director  
+36 1 887 7325  
[gabriella.nink@kpmg.hu](mailto:gabriella.nink@kpmg.hu)

**Kornélia Mitrik**

Senior Manager  
+36 1 887 7410  
[kornelia.mitrik@kpmg.hu](mailto:kornelia.mitrik@kpmg.hu)

**dr. Katalin Boncsér**

Manager  
+36 1 887 7321  
[katalin.boncser@kpmg.hu](mailto:katalin.boncser@kpmg.hu)

**Gabriella Joó**

Manager  
+36 1 887 6630  
[gabriella.joo@kpmg.hu](mailto:gabriella.joo@kpmg.hu)

### **Corporate and International Taxation Group**

**Mihály Gerhát**

Senior Manager  
+36 1 887 7180  
[mihaly.gerhat@kpmg.hu](mailto:mihaly.gerhat@kpmg.hu)

**Tibor Jároli**

Manager  
+36 1 887 7416  
[tibor.jaroli@kpmg.hu](mailto:tibor.jaroli@kpmg.hu)

**József Zsolt Garabuczi**

Manager  
+36 1 887 7273  
[jozsef.garabucz@kpmg.hu](mailto:jozsef.garabucz@kpmg.hu)

### **Transfer Pricing Advisory Group**

**Mónika Mindszenti**

Senior Manager  
+36 1 887 7170  
[monika.mindszenti@kpmg.hu](mailto:monika.mindszenti@kpmg.hu)

**Mihály Gódor**

Manager  
+36 1 887 7340  
[mihaly.godor@kpmg.hu](mailto:mihaly.godor@kpmg.hu)

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

KPMG and the KPMG logo are registered trademarks of KPMG International Cooperative ("KPMG International"), a Swiss entity.

© 2010 KPMG Tanácsadó Kft., a Hungarian limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.