

International Survey on Revenue Administration (ISORA)

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IOTA
Intra-European Organisation
of Tax Administrations



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BETTER POLICIES FOR BETTER LIVES

HUNGARY - Period: 2021

Form A. Introduction

Period: [2021] ▾

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Form A. Introduction

The purpose of this form is to establish the areas of responsibility for your administration.

Information from this form will be used automatically to enable questions in other forms, so this form needs to be saved and certified to unlock the other forms.

For general instructions to complete the form, see [here](#)

Q1) Indicate the revenue types or categories for which the administration has responsibility

a) Personal income tax

Personal income tax: This category covers taxes levied on all income including wages / salaries dividends, interest and other income (e.g. from rental or other business) a person earns throughout the year, including cases where tax is withheld.

b) Corporate income tax c) Value added taxes

Value added taxes: A value-added tax (VAT) is a tax on goods or services based on 'value-added' and collected by VAT registrants. Check if you collected a value-added tax, even if known by another name.

d) Excises (domestic) *Do not select if the customs administration is responsible for domestic Excise collection.* e) Other taxes

Other taxes: This category includes all taxes other than the tax specified in a), b), c) and d). Taxes are compulsory contribution to government revenue, rather than payments for specific services; payment for services would generally be classified as non-tax revenues. Do not include revenues collected by customs.

i) Motor vehicle taxes ii) Real property taxes iii) Wealth taxes iv) Estate, inheritance and similar other taxes v) Taxes on goods and services other than value added taxes vi) Other taxes (not included in i) to v) above) f) Social security contributions

Social security contributions: All compulsory payments that confer an entitlement to receive a (contingent) future social benefit, including: (a) employers' social security contributions (SSCs); (b) employees' SSCs; and (c) SSCs paid by independent entrepreneurs and non-employed persons.

g) Non-tax revenues

Non-tax revenues: These refer to revenue that the administration collects, that is not a tax revenue or a social security contribution, e.g. fees for services, licences for the use of natural resources. Do not include customs revenues.

Q2) Do employers withhold taxes on behalf of salaried employees, e.g. PAYE?

Yes No

PAYE (Pay-as-you-earn): A tax payment method by which an employer is required to deduct income tax (and SSCs if applicable) from an employee's taxable salary or wages and remit the amount promptly to government. Hence, amounts of personal income tax are paid as they are earned. In some countries, withheld amounts are treated as a final tax, thereby eliminating the need for (some) salary and wage earners to file annual income tax returns. Check Personal income tax (Q1 a) if you answered 'yes' to this question.

Introduction comments (*if you wish to clarify or add to any of your above responses*)

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HUNGARY - Period: 2021

Form B. Revenue

Period: [2021] ▾

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Form B. Revenue

This form generally seeks information on revenues for which the tax administration has responsibility for the fiscal year in question.

Record all revenue figures in thousands of local currency units. For example, if you collect \$ 34 567 987 in PIT, this should be recorded as 34568, i.e., rounded to the nearest thousand.

**Note that a "D" may be entered if a response cannot be provided to a numerical question.
A "D" does NOT mean zero/0. A zero should NOT be used to denote a missing response.**

We recommend that all ISORA coordinators provide these instructions to their correspondents.

For general instructions to complete the form, see [here](#)

Q1) Provide the net revenue for the following tax types or categories:

(Note: Based on selections made in Form A.)

a) Personal income tax

A. Net revenue In local currency ('000)

B. Percentage of total net revenue

C. Gross VAT on domestic goods In local currency ('000)

D. Gross VAT on imports (even where collected by customs) In local currency ('000)

E. VAT refunds In local currency ('000)

Personal income tax: This category covers taxes levied on all income including wages / salaries dividends, interest and other income (e.g. from rental or other business) a person earns throughout the year, including cases where tax is withheld.

b) Corporate income tax

c) Value added taxes

VAT refunds refer to actual refunds made (this includes VAT credits not physically paid out but offset against other taxes owed by the taxpayer). It excludes VAT input credits that are offset against VAT outputs by a registrant. For example, during the year, a VAT registrant collected 100 dollars in VAT and paid 120 dollars VAT while purchasing goods. In this case, the VAT refund is 20 dollars and not 120 dollars.

d) Excises (domestic)

e) Other taxes

Other taxes: This category includes all taxes other than the tax specified in a), b), c) and d). Taxes are compulsory contribution to government revenue, rather than payments for specific services; payment for services would generally be classified as non-tax revenues. Do not include revenues collected by customs.

f) Social security contributions

Social security contributions: All compulsory payments that confer an entitlement to receive a (contingent) future social benefit, including: (a) employers' social security contributions (SSCs); (b) employees' SSCs; and (c) SSCs paid by independent entrepreneurs and non-employed persons.

g) Non-tax revenues

Total net revenue

Non-tax revenues: These refer to revenue that the administration collects, that is not a tax revenue or a social security contribution, e.g. fees for services, licences for the use of natural resources. Do not include customs revenues.

A.Total net revenue as percent of GDP

Q2) Total net revenue as percent of Gross Domestic Product

The ratio of total net revenue to Gross Domestic Product is calculated to provide a rough check on the net revenue figures: if the ratio is smaller or larger than expected, one or more revenue figures may not have been stated in thousands of local currency units.

Revenue Comments (*if you wish to clarify or add to any of your above responses*)

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BAHAMAS, THE - Period: 2021

Form C. Expenditure, FTE resources and ICT infrastructure

Period: 2021

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Form C. Expenditure, FTE resources and ICT infrastructure

The purpose of this Form is to enable comparisons between tax administrations regarding expenditures, Full-time Equivalents (FTEs) and Information and Communications Technology (ICT) Infrastructure.

Special note for administrations combining both tax and customs administration

Some 35 percent of ISORA participants are organizations where tax administration and customs administration are combined. In many of these organizations, certain functions and activities are integrated – in other words, they support both tax and customs administration. As a result, FTE and expenditures related solely to tax administration may not be readily apparent or available. In these cases, in order to compare one “tax administration” with another, it may be necessary to make an **estimate** of the FTE, operating and capital expenditures for a combined administration that could be attributed to tax administration alone.

Question 0 on this form provides an option for joint customs/tax administrations to make the **estimates** referred to above.

- If you choose this option, your responses to Question 0 will automatically populate Question 1 once you save the Form. Question 0 is simply asking for a set of inputs that will be used by the computer to populate Question 1. An illustration of how this methodology will be used is explained at the bottom of the form and can also be found [here](#).
- Alternatively, if you have your own means of identifying tax administration only FTEs and expenditures, you may decline to use Question 0 and proceed directly to Question 1.

Note that all responses in local currency units are to be provided in thousands of local currency units, e.g., \$ 34 567 987 is recorded as 34 568. This is indicated on all questions that require an answer in currency units.

**Note that a “D” may be entered if a response cannot be provided to a numerical question.
A “D” does NOT mean zero/0. A zero should NOT be used to denote a missing response.**

We recommend that all ISORA coordinators provide these instructions to their correspondents.

For general instructions to complete the form, see [here](#).

Is your administration a joint tax and customs administration?

- No, tax only administration
- Yes, and will use Q0 to estimate tax administration FTEs and expenditure
- Yes, and will use Q1 to provide tax administration FTEs and expenditure

A.Number

B. Percentage

Q0) Provide the following information related to FTEs and expenditures:

An FTE (full-time equivalent) of 1.0 means resources equal to one staff member available full time for the entire year. FTEs provides a measure of the human resources available, not their cost. If your administration does not use the FTE concept, you can use average staff numbers for the year as an estimate for FTEs. The average of staff at the beginning of the year and the end of the year could be used as an estimate in the absence of more accurate data.

- FTEs involved exclusively with tax administration activities (e.g. returns processing, tax audit)
- FTEs involved exclusively with customs administration activities (e.g. border inspection, anti-smuggling initiatives)
- FTEs involved with both tax and customs administration (e.g. finance, human resources, ICT)

d) Total estimated tax administration FTEs as a % of total organization FTEs

e) Total operating expenditures (In **local currency ('000)**)f) Total salary expenditures (In **local currency ('000)**)g) Total ICT expenditure (In **local currency ('000)**)

h) Estimated percentage of ICT expenditure on tax administration

i) Total capital expenditures (In **local currency ('000)**)

j) Estimated percentage of capital expenditures on tax administration

A.Number/estimate**B.Calculated estimate**

Q1) Provide tax administration FTEs and expenditure data as required

a) Total (or estimated) tax administration FTEs

An FTE (full-time equivalent) of 1.0 means resources equal to one staff member available full time for the entire year. FTEs provides a measure of the human resources available, not their cost. If your administration does not use the FTE concept, you can use average staff numbers for the year as an estimate for FTEs. The average of staff at the beginning of the year and the end of the year could be used as an estimate in the absence of more accurate data.

b) Total (or estimated) tax administration operating expenditures (In **local currency ('000)**)

Operating expenditure comprises all operating costs including salaries and other overheads but excluding capital costs.

c) Total (or estimated) tax administration salary expenditures (In **local currency ('000)**)

Salary expenditure comprises the total costs attributable to direct employee costs (including contributions to pension plans) for all roles performed by the tax administration. The reported amount should not include payments to contractors/consultants for services rendered.

d) Total (or estimated) tax administration ICT expenditures (In **local currency ('000)**)

ICT (Information and Communication Technology) expenditure comprises expenses covering hardware infrastructure, digital communication infrastructure, computers, software, other ICT areas and staff working in these areas.

e) Total (or estimated) tax administration capital expenditures (In **local currency ('000)**)

Capital expenditure includes all costs associated with the acquisition of capital assets, including ICT infrastructure, buildings, motor vehicles etc.

A.Number/estimate**B.Percentage/estimate**

Q2) Provide the percentage (or estimated percentage) of tax administration FTEs working on headquarter functions.

Headquarters functions refers to those central units or functions of a tax administration not normally involved in operational activity or casework. Headquarters generally perform overarching functions such as strategic planning, development and approval of corporate policies, processes and procedures, reporting, monitoring and evaluation of organizational performance, development and promulgation of high-level communications, stakeholder consultation, budgeting and finance, human resources (including training academies), information technology, and procurement. They can also include providing high level technical advice on interpretation of the laws and advice to MOF and government on tax policies and their administration.

Q3) Provide number of FTEs for the following tax administration functions:

i) Registration, taxpayer services, returns and payment processing

Functions both at headquarters and operating offices related to taxpayer registration; taxpayer services and education; processing returns and payments, including electronic returns and payments; reconciling accounts; processing refunds.

ii) Audit, investigation and other verification

Functions both at headquarters and operating offices related to audit, investigation and other tasks involved with verification of taxpayer statements and claims.

iii) Enforced debt collection and related functions

Functions both at headquarters and operating offices related to debt collection and enforcement.

iv) All other functions of the tax administration not included above

These functions include finances; human resource management; management of disputes, objections and appeals; activities related to software development, ICT infrastructure, security, maintenance and other ICT functions.

Q4) In respect of ICT for the tax administration, are all or part of the Core or Operational ICT solutions:

Core ICT solutions (sometimes called Operational ICT solutions) are used to fulfil the tax administration's core mandate; they typically include systems for registration, return processing, payment processing and auditing. They **do not** include standard office tools for word processing, spreadsheets, e-mail, internet-based telephone calls, video calls and virtual meetings.

a) Custom built?

Yes No

b) On premises commercial off the shelf (COTS)?

Yes No

COTS refers to a software licensing model where the tax administration makes a one-time purchase of a ready-made commercial software and the software is installed on computers owned or leased by the tax administration and located in their IT rooms. COTS software is ready-made as opposed to tailor-made software developed by the tax administration's ICT department. COTS software packages can be configured to fit the needs of the organisation.

c) Software-as-a-Service (SaaS, i.e. cloud based)?

Yes No

SaaS refers to a software licensing model where the tax administration pays for a subscription license where the cost depends on the usage. The software is installed on third party computers, not on tax administration computers (i.e. not on premises), and is accessed by users via the internet.

Expenditure, FTE Resources and ICT Infrastructure Comments (*if you wish to clarify or add to any of your above responses*)

Illustration of methodology for Q.0

Question 0 may be used by organizations that are responsible for both tax administration and customs administration. To do so, you will need to provide the following information (figures in red are for illustration only):

Total FTE	= 850
of which	
1. Estimated FTEs involved exclusively with tax administration (e.g. returns processing, tax audit)	= 450
2. Estimated FTEs involved exclusively with customs administration (e.g. border inspection, anti-smuggling initiatives)	= 250
3. Estimated FTEs involved with both tax and customs (e.g. finance, human resources, ICT)	= 150
4. Total operating expenditures for entire organization	= \$7,000,000
5. Total salary expenditures for entire organization	= \$4,000,000

6. Total ICT expenditures for entire organization	= \$2,000,000
7. Estimated percentage of ICT expenditures on tax administration alone	= 20%
8. Total capital expenditures for entire organization	= \$3,000,000
9. Estimated percentage of capital expenditures on tax administration alone	= 5%

Note: as currency should be entered in thousands, the illustrative currency figures would be entered as follows: \$7,000,000 is entered as 7000; \$4,000,000 is entered as 4000; \$2,000,000 is entered as 2000; and \$ 3,000,000 is entered as 3000.

When you have entered these data into Question 0, and saved the form, the following will be computed in Column B of Question 1:

Step 1

The percentage of exclusive tax administration FTE to total exclusive FTE (tax and customs) will be calculated. In the example, this would be

$$450/700 \times 100 = 64\%$$

Step 2

This percentage will be used to compute a share of the FTE involved with both tax and customs that could be said to apply to tax administration alone.

In the example, this would be $64\% \times 150 = 96$ FTE

Step 3

The **Estimated tax administration only FTE** will be calculated as follows:

FTEs involved exclusively with tax administration = 450

Tax administration share of FTE involved with both (from Step 2) = 96

Estimated Tax administration only FTE (to be used in Q 1 a Col B on Form C) = 546 FTE

Step 4

The Estimated Tax Administration only share of FTEs as a % of Total FTEs will be calculated as follows:

$$546/850 \times 100 = 64\%$$

This percentage can then be used to calculate the **estimated share of total organization operating and salary expenditures** that can be attributable to tax administration only, since these two expenditure categories generally split along similar lines to FTE. The illustration would yield the following:

For Q 1b, Col. B, $64\% \times \$7,000,000$ (operating expenditure)

For Q 1c Col B , $64\% \times \$4,000,000$ (salary expenditure)

Step 5

The following calculations will be made:

Estimated tax administration only share of ICT expenditures

\$2,000,000 x 20% = \$400,000 (this figure will appear in Q1d Col. B in thousands as 400)

Estimated tax administration only share of capital expenditures

\$3,000,000 x 5% = \$150,000 (this figure will appear in Q1e Col. B in thousands as 150)

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HUNGARY - Period: 2021

Form D. Human resource information

Period: [2021] ▾

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Form D. Human resource information

The purpose of this form is to enable tax administrations to make comparisons about workforce characteristics of all staff, including contractual staff. If you are a combined tax and customs administration, it may be difficult to separate the characteristics of the tax and customs workforce. Therefore, in this form you could use your total workforce for the combined organization as a base to respond to these questions.

**Note that a "D" may be entered if a response cannot be provided to a numerical question.
A "D" does NOT mean zero/0. A zero should NOT be used to denote a missing response.**

We recommend that all ISORA coordinators provide these instructions to their correspondents.

For general instructions to complete the form, see [here](#).

Q1) Provide details on staff strength

A. Number

a) Staff employed at the beginning of the fiscal year

For a) provide the total number of staff at the beginning of the year, and not the staff recruited at the beginning of the year.

b) Staff exiting the administration during the fiscal year

Staff exiting refers to staff leaving the administration during the fiscal year. Note that staff leaving at the end of the fiscal year should be accounted for as having exited in that fiscal year.

c) Staff entering the administration (e.g. via recruitment) during the fiscal year

Staff entering refers to staff joining the administration during the fiscal year. Note that staff joining at the beginning of the fiscal year should be accounted for as having entered service in that fiscal year.

d) Staff employed at the end of the fiscal year

For d) provide the total number of staff at the end of the year, and not the staff recruited at the end of the year.

Q2) Provide the academic qualifications of staff at the end of the fiscal year

A. Number

a) Holding the equivalent of a Masters degree or above

b) Holding the equivalent of a Bachelor degree [excluding those in Q2a)]

Q3) Provide the age distribution for staff at the end of the fiscal year

A. Number

a) Less than 25 years of age

- b) 25 to 34 years of age
- c) 35 to 44 years of age
- d) 45 to 54 years of age
- e) 55 to 64 years of age
- f) older than 64 years of age

Q4) Provide the length of service distribution of staff at the end of the fiscal year

- a) Less than 5 years' service
- b) 5 to 9 years' service
- c) 10 to 19 years' service
- d) With 20 or more years' service

A. Number

Q5) Provide the self-identified gender distribution of staff at the end of the fiscal year

A. Total Number

Executives refers to executive level positions that would generally be found within the senior management ranks of an organization and typically have very high levels of responsibility. Their roles are usually broad in scope, and they often oversee large numbers of staff/activities.

B.Executives only

- a) Female (all staff)
- b) Male (all staff)
- c) Does the administration capture information on 'other' gender?
- d) Other

Yes No

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Human Resource Comments (if you wish to clarify or add to any of your above responses)

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Form E. Taxpayer segments

Period: [2021] ▾

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Form E. Taxpayer segments

This form seeks information on the segmentation of taxpayers for administrative purposes.

Note that all responses in local currency units are to be provided in thousands of local currency units, e.g., \$ 34 567 987 is recorded as 34 568. This is indicated on all questions that require an answer in currency units.

**Note that a "D" may be entered if a response cannot be provided to a numerical question.
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We recommend that all ISORA coordinators provide these instructions to their correspondents.

For general instructions to complete the form, see [here](#).

Large taxpayers

Large Taxpayers make significant tax payments and account, in aggregate, for a large proportion of total tax revenue. Countries tend to define large taxpayers by reference to: annual sales/turnover; annual income; value of assets; level of imports or exports; amount of tax paid; and/or type of economic sector (e.g. financial services or mining sector).

Q1) Does the administration have a large taxpayer office (LTO) or a large taxpayer program? Yes No

Tax administration functions that may be carried out by the LTO/large taxpayer program include:

- Registration: taxpayer registration.
- Taxpayer services: the provision of taxpayer services and education.
- Returns and payment processing: processing returns and payments, including electronic returns and payments; reconciling accounts; processing refunds.
- Audit, investigation and other verification: audit, investigation and other tasks involved with verification of taxpayers' statements and claims.
- Enforced debt collection and related functions: debt collection and enforcement; and
- Dispute resolution: management of disputes, objections and appeals.

a) If 'YES' indicate which of the following tax administration functions are carried out by the LTO/ large taxpayer program:

- Registration
 Return and payment processing
 Taxpayer services
 Audit, investigation and other verification
 Enforced debt collection and related functions
 Dispute resolution

A. Number / Percentage as Appropriate

Q2) Provide the following information:

a) The total number of FTEs in LTO or the large taxpayer program

An FTE (full-time equivalent) of 1.0 means resources equal to one staff member available full time for the entire year. FTEs provides a measure of the human resources available, not their cost. If your administration does not use the FTE concept, you can use average staff numbers for the year as an estimate for FTEs. The average of staff at the beginning of the year and the end of the year could be used as an estimate in the absence of more accurate data.

b) The number of FTEs in the audit, investigation and other

verification function

- c) The number of all corporate taxpayers at year-end included under this approach
[Redacted]
- d) The number of all individual taxpayers at year-end included under this approach
[Redacted]
- e) The actual or estimated percentage of net revenue administered under this program in relation to total net tax revenue collected.
This includes CIT, PIT, VAT, employer withholding taxes, as well as other revenue, as applicable.
[Redacted]

Q3) Provide the following information on audits undertaken by the LTO or the large taxpayer program. This excludes electronic compliance checks.

**B. Total value of additional assessments raised (taxes, penalties and interest)
(In local currency ('000))**

A. Number completed

Electronic compliance checks refer to electronic checks, validations and matching of taxpayer information electronically, generally made as part of the return filing process.

[Redacted]

[Redacted]

High Net Wealth Individuals

High Net Wealth Individuals (HNWIs) refer to individuals at the top of the wealth or income scale, usually defined by specific criteria determined by a country. Some HNWIs pose significant challenges to tax administrations through their use of aggressive tax planning schemes and involvement in offshore tax evasion.

Q4) Does the administration have an office or program to manage High Net Wealth Individual (HNWI) taxpayers?

Yes No

Q5) Is the HNWI program part of the LTO or large taxpayer program?

Yes No

Q6) Provide the actual or estimated percentage of net revenue administered under this program in relation to total net tax revenue collected

[Redacted]

Taxpayer segments Comments (*if you wish to clarify or add to any of your above responses*)

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HUNGARY - Period: 2021

Form F. Operational metrics

Period: [2021] ▾

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Form F. Operational metrics

The purpose of this form is to provide comparable quantitative and other information about tax administration operations.

Note that all responses in local currency units are to be provided in thousands of local currency units, e.g., \$ 34 567 987 is recorded as 34 568. This is indicated on all questions that require an answer in currency units.

**Note that a "D" may be entered if a response cannot be provided to a numerical question.
A "D" does NOT mean zero/0. A zero should NOT be used to denote a missing response.**

We recommend that all ISORA coordinators provide these instructions to their correspondents.

For general instructions to complete the form, see [here](#).

Number of taxpayers

Q1) Provide the number of registered and active taxpayers (or employers as in Column C) at fiscal year-end for the categories listed below:

A. Corporate income tax

B. Personal income tax

C. Employers that withhold tax from employees

D. Value added tax

E. Excise (domestic manufacturers / producers)

Active taxpayers are normally those for whom a tax consequence arises during the fiscal year (tax liability or tax refunds without any obligation to file) or that for any other purpose file a tax return.

For Personal income tax (and for the purposes of this survey), the number of registered and active taxpayers includes all individuals that pay income tax, including those that have their tax deducted from their salary through direct withholding by the employer (e.g. PAYE arrangements) and do not need to file a return (i.e. the withheld tax is final tax).

For employers that withhold tax from employees (PAYE) provide the number of employers that withhold tax from employees.

If you are using tax returns for multiple individuals to estimate active PIT taxpayers, estimate the total number of individual persons covered.

a) Total taxpayers registered (No.)

b) Total active taxpayers (No.)

c) Are most employees that have tax deducted from their salary through direct withholding by the employer required to register for personal income tax?

Yes No

Return filing

Q2) Provide details on the filing of tax returns

A. Corporate income tax

B. Personal income tax

C. Employers that withhold tax from employees

D. Value added tax

a) Number of returns expected

If you use 'active taxpayers' from Q1 to determine the number of PIT returns expected, exclude salaried employees who are subject to final withholding on salaries and do not have to file, and count a return for multiple persons as a single return.

For the purpose of measuring on-time filing rates, 'returns expected' means the number of returns (declarations) that the tax administration expects to receive from registered taxpayers that are required by law to file returns. Determining this figure requires an estimate of the returns that are expected to be filed in total in respect of a fiscal year, regardless of

when those returns are expected to be filed. Clearly there will be changes from one fiscal year to the next in the number of returns that are expected to be filed due to changes to taxpayers' circumstances (such as: retirement, death, ceased business activities, bankruptcies/liquidations, creation of new businesses/entities, and new entrants into the workforce). Despite these reductions and additions, using the number of returns filed for prior fiscal years (regardless of when they were filed) may be a reasonable approximation of the returns expected in the current year.

b) Number of returns filed on time

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Returns filed on time is the number of returns received by the time they are due by law. Note that the filing due date may be different for returns that are filed to request a refund. Those refund-requesting returns should be considered as filed on time if submitted before the last possible filing date. (In this case, they should also be included in the number of returns that are expected.)

c) On-time filing rate %

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d) Are most employees that have tax deducted from their salary through direct withholding by the employer required to file a return (i.e. the withheld tax is not the final tax)?

Yes No

Payments

A. Percentage

Q3) Provide the estimated percentage of total personal income tax withheld by third parties (e.g. employers, banks) and subsequently paid to the administration.

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Q4) Provide details on payments

A. Corporate income tax In local currency ('000)

--

B. Personal income tax In local currency ('000)

--

C. Employers that withhold tax from employees In local currency ('000)

--

D. Value added tax In local currency ('000)

--

a) Total value of payments due

--

Payments due refers to the value of all payments expected during the fiscal year, i.e. payments that have a due date in the respective fiscal year.

b) Total value of payments made on time

--

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'Payments made on time' is the value of all payments received on time, i.e. by the due date. If any penalty and/or interest is levied, the payment should be considered late. With respect to payment arrangements:

If a payment arrangement was made after the due date, the payment is not received on time.

If a payment arrangement was made prior to the due date, and the administration has the power to alter the due date with no penalty or interest, payments received by the new due date are considered to be on time.

c) On-time payment rate %

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VAT refunds

Q5) Choose which one of the following applies to most approved VAT refunds

a)

a) VAT refunds are automatically paid out (or used to offset other tax debts) immediately (or within a short time period).

b)

b) As for a), but subject to the availability of funds.

c)

c) VAT refunds are established as a 'credit' in the taxpayer's account, until such time as the taxpayer may legally request the refund.

d)

d) As for c), but subject to the availability of funds

e) If 'yes' to b), c) or d) above, provide the value of all VAT 'credits' (i.e. VAT refunds approved but not yet paid out or used to offset other tax liabilities) at year end? In local currency ('000)

Arrears

Q6) Provide the following information on arrears for which your administration is responsible.

A.Value in local currency ('000)

B.Percentage

Arrears are the total amount of tax debt (including any interest and penalties) and debt on other revenue for which the tax administration is responsible, that is overdue for payment. The total should include amounts of tax arrears that are disputed, subject to payment arrangements or extensions of time to pay.

a) Total value of closing stock of arrears at year-end

b) Value of closing stock of arrears at year-end considered 'not collectible'

Non-collectible arrears generally include: a) amounts formally disputed by the taxpayer and for which collection action has been suspended pending the outcome; b) amounts that are not legally recoverable (e.g. bankruptcy of the taxpayer); and c) arrears otherwise uncollectible (e.g. the debtor has no funds or other assets).

c) Value of closing stock of arrears at year-end relating to state owned enterprises

State owned enterprises (SOEs) are entities that are under the control of the state, either by the state being the ultimate beneficial owner of the majority of voting shares or otherwise exercising an equivalent degree of control. They are often also referred to as government-owned enterprises or public corporations (such as the central bank or other entities that carry out public mission and services, for example, post office or railroad).

d) Value of closing stock of arrears at year-end relating to state owned enterprises, considered 'not collectible'

C.Employers that withhold tax from employees In local currency ('000)

D.Value added tax In local currency ('000)

A. Corporate income tax In local currency ('000)

B. Personal income tax In local currency ('000)

Q7) Provide information on closing stock of arrears at year-end for the following tax types

Audit and verification

Q8) Provide the following information on audits and verification actions:

A.Number completed

B.Number where adjustment was made

C.Total value of additional assessments raised (taxes, penalties and interest) (000's)

Audits refer to examinations of taxpayer financial records and dealings to verify amounts reported in tax declarations. Audit types vary in nature, scope and intensity. They include, for example, comprehensive (multiple tax and multiple year) audits, single-issue audits, desk audits, inspections of books and records, examination of VAT refund claims, and in-depth investigations of suspected tax fraud.

Note: audit information provided in this form should include audit results for the large taxpayer program (provided in Form E). Electronic compliance checks include electronic checks, validation and matching of taxpayer information, generally made as part of the return process. The electronic compliance checks may - depending on the outcome of the check - result in a challenge where the IT system or a tax administration official contacts the taxpayer and asks to review the underlying issue.

a) For all audits (excluding electronic compliance checks) Thereof, value of additional assessments raised for

i) Corporate income tax

ii) Personal income tax

iii) Value added tax	<input type="text"/>
iv) Tax withheld by employers from employees (e.g. PAYE)	<input type="text"/>
b) Electronic compliance checks	<input type="text"/>
c) Total value of additional assessments raised	<input type="text"/>

Tax crime investigations

- Q9) Select the responses that apply to the tax administration regarding tax crime investigations:
- a) Tax administration has responsibility for directing and conducting tax crime investigations.
 - b) Tax administration has responsibility for conducting investigations, under the direction or authority of another agency, such as the police or public prosecutor.
 - c) Another agency outside of tax administration, such as the police or public prosecutor, has responsibility for conducting tax crime investigations. *(NOTE: This could be a specialist tax agency, established outside the tax administration).*

A tax crime investigation is an investigation where criminal tax investigators generally seek to find and analyse information for the purposes of determining whether or not a tax crime has been committed.

- Q10) If you selected 9a) or 9b), provide the number of tax crime investigation cases referred for prosecution during the fiscal year

Dispute resolution

- Q11) Do taxpayers have the right to challenge assessments through the following mechanisms?

- a) An internal review by the tax administration Yes No

An internal review is the first stage in the formal dispute resolution process. Internal reviews (also known as 'objections' or 'disputes') are reviewed by the tax administration, as opposed to an independent external review body, i.e. tribunal or court. These reviews are normally undertaken by designated review officers independent of the audit department.

- b) An independent review by an external body Yes No

An independent review refers to a review by an independent external specialist tax tribunal, review board or court.

- c) An independent review by a higher appellate court Yes No

An independent review by a higher appellate court is usually the final stage in a dispute process to resolve remaining disputes concerning legal interpretation and facts.

- Q12) Where an internal review by the tax administration is permissible, do taxpayers first have to pursue this avenue?

Yes No

- Q13) Provide details on the number of tax cases under internal review procedures

A. Number

- a) Cases initiated in the Fiscal Year

- b) Cases on hand at end of Fiscal Year

- Q14) Provide details on the number of tax cases under independent review by external bodies

A. Number

- a) Cases initiated in the Fiscal Year

- b) Cases on hand at end of Fiscal Year

- Q15) Provide details on the number of tax cases under independent review by a higher appellate court

A. Number

a) Cases resolved by a higher appellate court in the Fiscal Year

b) Cases resolved in favor of the administration in the Fiscal Year

'Cases resolved in favor of the administration'
are those cases where the administration has been successful in more than 50% of the issues contested in each case.

Operational Metrics Comments (*if you wish to clarify or add to any of your above responses*)

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International Survey on Revenue Administration (ISORA)

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IOTA
Intra-European Organisation
of Tax Administrations



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BETTER POLICIES FOR BETTER LIVES

HUNGARY - Period: 2021

Form G. Taxpayer and other stakeholder interactions

Period: [2021] ▾

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Status: Edit

Form G. Taxpayer and other stakeholder interactions

This form seeks to gather information related to trends in interactions of the administration with taxpayers and other stakeholders.

**Note that a "D" may be entered if a response cannot be provided to a numerical question.
A "D" does NOT mean zero/0. A zero should NOT be used to denote a missing response.**

We recommend that all ISORA coordinators provide these instructions to their correspondents.

For general instructions to complete the form, see [here](#).

Registration and Service Channels

Q1) Indicate the types of registration channels that taxpayers can use

Include all channels that can be used for registration purposes, even if a certain channel may not be available for all tax types

- | | | |
|-----------------|---------------------------|--------------------------|
| i) Online | <input type="radio"/> Yes | <input type="radio"/> No |
| ii) Telephone | <input type="radio"/> Yes | <input type="radio"/> No |
| iii) Email | <input type="radio"/> Yes | <input type="radio"/> No |
| iv) Mail / post | <input type="radio"/> Yes | <input type="radio"/> No |
| v) In-person | <input type="radio"/> Yes | <input type="radio"/> No |
| vi) Other | <input type="radio"/> Yes | <input type="radio"/> No |

Q2) a) Does the administration keep track of incoming service contacts?

- | | |
|---------------------------|--------------------------|
| <input type="radio"/> Yes | <input type="radio"/> No |
|---------------------------|--------------------------|

b) If yes, indicate the number of incoming service contacts (e.g. enquiries) received through the following channels:

A. Number

A contact should be counted as an incoming service contact when a person is asking for something that requires an action by the tax administration. This action may be a manual intervention or an automated intervention (e.g. in the case of digital assistants)

- i) Online via taxpayer account
- ii) Digital assistance (e.g. chat, digital assistant)
- iii) Telephone call
- iv) E-mail
- v) Mail / post
- vi) In-person

Pre-filled returns

Q3) Does the administration pre-fill PIT tax returns?

 Yes No

Pre-filling tax returns refers to preparation or pre-filling of a tax return (declaration) by the tax administration, using information gathered from third parties such as employers and financial institutions. In their most advanced form, pre-filled returns (also called 'pre-populated returns') eliminate most of the effort required of taxpayers to prepare their return.

If 'Yes', indicate which of the categories stated are prefilled in personal income tax returns?

- Taxpayer personal information
- Income information: Wages and salaries
- Income information: Pension
- Income information: Interest
- Income information: Dividends
- Income information: Capital gains/losses
- Income information: Other income
- Expense information: Donations
- Expense information: School and university fees
- Expense information: Childcare expenses
- Expense information: Certain insurance premiums
- Expense information: Health and medical expenses (other than insurance premiums)
- Expense information: Pension/retirement contributions and savings
- Expense information: Interest on loans and mortgages
- Expense information: Other expenses

Return Processing

Q4) Provide the total **number of tax returns received via the channels** listed below

- a) Paper returns (e.g. filed in the tax office, filed via postal service, scanned and emailed etc.)
- b) Electronic - fully pre-filled by the tax administration, deemed acceptance

A. Corporate income tax

B. Personal income tax

C. Value added tax

Deemed acceptance means that the taxpayer does not need to take any action to confirm to the administration that the return (pre-filled by the administration) is correct.

- c) Electronic - fully pre-filled by the tax administration, confirmation required
- d) Electronic - partially pre-filled by the tax administration with income and/or expense information
- e) Electronic- not pre-filled, or pre-filled only with taxpayer personal information
- f) Other
- g) Total

Tax Payments

Q5) Provide the percentage of payments received electronically
(NOTE: This excludes cash or cheque payments).

A. Percentage by Number

B. Percentage by Value

Q6) Does the administration actively use behavioral insight methodologies or techniques?

 Yes No

Behavioural insights are lessons derived from the behavioural and social sciences, including decision making, psychology, cognitive science, neuroscience, organisational and group behaviour. Behavioural insights take an inductive approach to decision-making that is driven by experimentation and piloting, which challenges established assumptions of what is thought to be rational behaviour of citizens and businesses. This methodology informs decision makers with evidence of what are the "actual" behaviours driving economic or societal outcomes. Through experimentation and trialling, behavioural insights offer a cost-effective way of testing multiple approaches at once on a smaller scale to determine the best course of action.

Q7) Are all or certain categories of taxpayers required to use an electronic invoice mechanism for tax purposes?

Yes No

An electronic invoice mechanism refers to a nationwide system where taxpayers prepare and deliver electronic documents to record sales and other transactions (usually invoices, credit or debit notes, receipts or withholding certificates). These electronic documents must comply with a mandatory format (usually in XML) and be digitally signed. The documents must be sent to the tax administration either before the transaction is completed or shortly after the transaction is completed. The buyer will receive the electronic document through electronic means giving the possibility to use graphical representation for buyers not able to access the electronic documents. Some tax administrations offer the ability to fill the document using a free site or application hosted by the administration itself.

Q8) Are certain categories of taxpayers required to use electronic fiscal devices / cash registers?

Yes No

An electronic fiscal device is a physical device (POS – Cash Registers – Printers) certified by the tax administration that taxpayers must use to record sales with details of individual transactions including tax related information in non-volatile read only memories the tax administration could access for verification purposes. Modern devices can include capabilities to encrypt information using digital signatures and to transmit the data to the tax administration either in real time or in periodic batches.

Q9) Does the tax administration have a formal co-operative compliance approach / program for:

Cooperative compliance programs and approaches may take a variety of forms, but are characterized fundamentally by tax administrations engaging with taxpayers and other stakeholders to explore shared interests, including the resolution of material tax risks; the provision of early certainty for taxpayers; the creation of a level playing field for business at large; and the reduction of costs (for all parties).

Cooperative compliance arrangements (also known as 'horizontal monitoring' and 'enhanced taxpayer relationship management') are typically conditional upon the taxpayer demonstrating: a) good governance of their tax affairs, including an appropriate level of validation and review of their accounting systems; and (b) a willingness to operate in an open and transparent manner and make full disclosure of their tax risks as they occur (i.e. in real time).

In return, the tax administration commits to providing enhanced service to the taxpayer through, for example: (a) dedicated points of contact; (b) speedier resolution of technical and administrative issues; (c) assignment of a reduced risk rating to the taxpayer for audit purposes; and (d) reduced penalties.

a) Large taxpayers?

Yes No

Large taxpayers make significant tax payments and account, in aggregate, for a large proportion of total tax revenue. Countries tend to define large taxpayers by reference to: annual sales/turnover; annual income; value of assets; level of imports or exports; amount of tax paid; and/or type of economic sector (e.g. financial services or mining sector).

b) HNWI taxpayers?

Yes No

High Net Wealth Individuals are individuals at the top of the wealth or income scale, usually defined by specific criteria determined by a country. Some HNWIs pose significant challenges to tax administrations through their use of aggressive tax planning schemes and involvement in offshore tax evasion.

c) Other taxpayers?

Yes No

Innovation

Q10) Indicate if the administration has implemented and is using any of the following technologies, or is in the process of implementing them for future use:

In use / In the implementation phase / No

Answer 'No' if your administration is planning to implement the mentioned technology but has not started implementation.

a) Distributed ledger technology / Blockchain

In use In the implementation phase No

Distributed Ledger Technology (DLT) allows transactions to be stored and updated on many computers at the same time. With a large number of computers involved, this is fail-safe and makes unauthorised changes very difficult. Blockchains use DLT to store transactions in a chain of blocks where each block contains one transaction. The combination of cryptography and DLT ensures that a block, once added to the chain, can never be altered. It enables applications to authenticate ownership and carry out secure transactions for a variety of asset types

b) Artificial intelligence (AI), including machine learning

In use In the implementation phase No

Artificial intelligence (AI) is the ability of machines and systems to acquire and apply knowledge, including by performing a broad variety of cognitive tasks, e.g. sensing, processing language, pattern recognition, learning, and making decisions and predictions. Machine learning is a sub-category of AI.

c) Cloud computing

In use In the implementation phase No

Cloud computing is a service model that provides clients with flexible, on-demand access to a range of computing resources. Clients access such resources (e.g. software applications,

storage capacity, networking and computing power) online.

d) Data science / analytics tools

In use In the implementation phase No

e) Robotics Process Automation (RPA)

In use In the implementation phase No

In Robotics Process Automation (RPA) a software 'robot' learns a set of operations and then performs them as if it were a human interacting with the computers. This is often used to automate repetitive tasks that otherwise would have to be done by tax administration staff, for instance copying information from one legacy system to another.

f) Application programming interfaces (APIs)

In use In the implementation phase No

Application Programming Interfaces (API) are a set of software functions and procedures allowing applications to access the features and/ or data of another software solution; applications can send requests to this interface and receive responses. A significant advantage of this compared with traditional software interfaces is that complexity and sensitive information can be protected inside the software solution, since communication with other applications only goes through the API. APIs allow for safe digital interaction between revenue systems and external applications in banks, accounting software providers and other government agencies. They can for instance be used to send and receive information, validate activities and facilitate transactions.

g) Whole-of-government identification systems

In use In the implementation phase No

Whole-of-government identification systems are systems where a single digital ID (or connected digital IDs) provides reliable authentication and enables secure access to a range of government services online (which may include access via mobile applications).

h) Digital authentication technology (e.g. biometrics, such as voice recognition)

In use In the implementation phase No

i) Virtual assistants (e.g. chatbots)

In use In the implementation phase No

Virtual assistants are software packages that simulate human interactions by handling questions or requests that otherwise would be handled by humans. They are sometimes called chatbots because they can be used to respond to online chats. Virtual assistants can use predefined sets of questions and answers and can additionally be powered by machine learning capabilities.

Taxpayer and Other Stakeholder Interactions Comments (if you wish to clarify or add to any of your above responses)

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