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Factsheet for case **HU-2020-10/653**

Relief of tax on labour for certain target sectors hard-hit by COVID-19

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Country	Hungary, applies nationwide
Time period	Temporary, 01 March 2020 - 30 June 2020
Type	Legislation or other statutory regulation
Category	Supporting businesses to stay afloat – Direct subsidies (full or partial)
Case created	15 April 2020 (updated 01 May 2020)

Background information

Under Sections 3-5. of the government decree 47/2020. (18 March) a selected group of businesses will receive relief from certain types of taxes in the months of March-June 2020. The reason for the measure is specified in the title of the decree: “immediate measures necessary to alleviate the impacts of the Coronavirus pandemic on the national economy.” The main objective is to help employees working in sectors that are hard-hit by the pandemic. In the period of the intervention companies will not pay social contributions after their workers and employees will not have certain taxes deducted from their pay.

Content of measure

Employers will get relief from paying all tax on labour, and employees will be exempt from all taxes excluding health contributions in the months of March-June 2020. Employees will pay no more than the minimum amount in health contribution of HUF 7,710 per month.

Businesses eligible are those active in the following sectors: tourism, catering, entertainment, gambling, film industry, live performance, event organiser and sports activities. Passenger transport services are also included, but they (taxi drivers) more often operate in solo-self-employed form.

Businesses subject to tourism development contributions will also get relief from this payment from March to June 2020.

Use of measure

No information to date on the uptake, but statistical office data show that 428,000 people work in the tourism industry and 80,100 in the entertainment industry in 2019. Catering and accommodation together employed 186,800 last year.

Actors, target groups and funding

Actors	Target groups	Funding
National government Company / Companies	Employees Self-employed Particular professions Sector specific set of companies SMEs One person or microenterprises	National funds

Social partners

Role of social partners	Informed
Form of involvement	Other

Trade unions submitted proposals, but their views were not heard, no real consultation took place.

Sectors and occupations

This case is sector-specific (only private sector).

Economic area	Sector (NACE level 2)
H - Transportation And Storage	H49 Land transport and transport via pipelines
I - Accommodation And Food Service Activities	I55 Accommodation
	I56 Food and beverage service activities
J - Information And Communication	J59 Motion picture, video and television programme production, sound recording and music publishing activities
R - Arts, Entertainment And Recreation	R90 Creative, arts and entertainment activities

	R91 Libraries, archives, museums and other cultural activities
	R92 Gambling and betting activities
	R93 Sports activities and amusement and recreation activities

This case is not occupation-specific.

Sources

- 18 March 2020: Government decree 47/2020 (EN)
- 23 March 2020: Trade unions: measures of solidarity with employees needed (joint statement) (www.szakszervezet.net)