

## **Taxes payable after selling properties in Hungary from the 1<sup>st</sup> of January 2008:**

### **Calculation of tax base:**

The selling price of the property can be reduced with the followings:

- Original purchase price
- Overall costs related to marketing and selling the property (sales commission, legal fee...etc)

After all the above deductions, the total profit of the re-sale is calculated as per below:  
(Selling price – purchase price – related costs = profit)

The profit can be reduced by **10%** if there is at least **2 years** between the buying year and the selling year of the property.

The profit income can be reduced by **40%** if there is at least **3 years** between the buying year and the selling year of the property.

The profit income can be reduced by **70%** if there is at least **4 years** between the buying years and the selling years of the property.

In case there is at least **5 years** between the buying year and the selling year of the property, **tax will not have to be paid at all.**

The purchase date of the property is considered the date, when the final purchase agreement was handed in to the Land Registry Office.

Taking into consideration the above corrections, **the tax, payable on the tax base, is 25%** which must be paid till the 20th of May of the year following the purchase year.