

**Government Decree 485/2020 (10 November)**  
**on certain economy protection measures during the period of state of danger**

The Government agrees that, for simultaneously managing both the healthcare and national economy impacts of coronavirus pandemic, protecting human lives and preserving jobs, tax benefits must be granted, the costs arising from losing their bookings must be compensated to accommodation service providers, and wage subsidies must be provided.

The Government, acting within its original legislative power laid down in Article 53 (2) of the Fundamental Law, having regard to section 51/A of Act CXXVIII of 2011 on disaster management and amending certain related Acts, acting within its function laid down in Article 15 (1) of the Fundamental Law, decrees as follows:

**1. Tax payment relief**

**Section 1** (1) A paying agent pursuing an activity under section 5 (1) as actual main activity shall not be liable for the payment of social contribution tax under Act LII of 2018 on social contribution tax (hereinafter the “Szocho tv.”) for the month referred to in section 5 (4) with regard to the employment of a natural person employed under employment relationship.

(2) The following shall not be liable for the payment of social contribution tax under the Szocho tv. for the months of March and April 2021, provided that they pursue an activity under section 5 (1) as actual main activity:

- a) private entrepreneurs with regard to this status, and
- b) joint entrepreneurs within the meaning Act CXXII of 2019 on persons eligible for, and the funding for, social security benefits with regard to this status.

**Section 2** For the month referred to in section 5 (4), an entity pursuing an activity under section 5 (1) as actual main activity who is liable for payment of contribution shall not be obliged to pay vocational training contribution under Act CLV of 2011 on vocational training contribution and the promotion of training development or section 128 of Act LXXX of 2019 on vocational education and training.

**Section 3** A paying agent under section 5 (1) who is liable for payment of rehabilitation contribution under Act CXCI of 2011 on the benefits for persons with reduced capacity to work and amending certain Acts shall be exempted from the obligation to pay contribution payable proportionally for two months in 2020 and for five months in 2021, with the proviso that the entity liable for payment shall not make further advance payments of the rehabilitation contribution in the year 2020, nor shall it make advance payment of it for the first quarter of the year 2021.

**Section 4** A taxable person subject to small business tax under Act CXLVII of 2012 on small business lump-sum tax and small business tax (hereinafter the “Kativ.”), in connection with this activity, shall exclude the amount of personnel costs from the tax base of small business tax when assessing small business tax payment obligation for the period referred to in section 5 (4).

**Section 4/A** A taxable person subject to small business lump-sum tax under the Katv. that pursues an activity under section 5 (1) (hereinafter “an entity pursuing an exempted activity”) shall be exempt from paying small business lump-sum tax under the Katv. for the months of March and April 2021. The exemption from paying tax under this paragraph shall not affect the eligibility for social security and labour market benefits and the amount of such benefits, and shall not reduce the threshold referred to in section 8 (6) of the Katv. This provision may be applied by an entity pursuing an exempted activity subject to small business lump-sum tax

under the Katv. which fell within the scope of the Katv. in the month of February 2021 with regard to this activity.

**Section 5 (1) A paying agent providing**

1. Restaurant and mobile food serving services (TEÁOR 5610),
2. Event catering services (TEÁOR 5621),
3. Beverage serving services (TEÁOR 5630),
4. Motion picture projection services (TEÁOR 5914),
5. Convention and trade show organisation services (TEÁOR 8230),
6. Sports and recreation education services (TEÁOR 8551),
7. Services of performing artists (TEÁOR 9001),
8. Support services to performing arts (TEÁOR 9002),
9. Arts facility operation services (TEÁOR 9004),
10. Museum services (TEÁOR 9102),
11. Botanical and zoological garden services and nature reserve services (TEÁOR 9104),
12. Sports facility operation services (TEÁOR 9311),
13. Services of sport clubs (TEÁOR 9312),
14. Services of fitness facilities (TEÁOR 9313),
15. Other sporting services (TEÁOR 9319),
16. Amusement park and theme park services (TEÁOR 9321),
17. Physical well-being services (TEÁOR 9604),
18. Other amusement and recreation services (TEÁOR 9329),
19. Hotel and similar accommodation services (TEÁOR 5510),
20. Holiday and other short stay accommodation services (TEÁOR 5520),
21. Camping ground services (TEÁOR 5530),
22. Other accommodation services (TEÁOR 5590),
23. Travel agency services (TEÁOR 7911), or
24. Tour operator services (TEÁOR 7912),
25. Other passenger land transport services n.e.c. (TEÁOR 4939)
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as actual main activity shall be entitled to the tax benefits specified in sections 1 to 4.

(2) The provisions of sections 1 to 4 shall apply to an entity pursuing an activity under paragraph (1) 17 if the entity pursuing the activity complies with the rules set out in Decree 37/1996 (18 October) NM on the public health requirements for establishing and operating public baths.

(2a) The provisions of sections 1 to 4 and section 14 shall apply to an entity pursuing an activity under paragraph (1) 25 if

*a)* it provides a transport service that is not aimed at the fulfilment of a public service obligation under Act XLI of 2012 on passenger transport services, and

*b)* the entity pursuing the activity holds a road passenger transport licence under Government Decree 261/2011 (7 December) on remunerated road transit activities, own-account road freight activities, and remunerated and own-account bus passenger transport activities and amending certain related laws.

(2b)

(2c)

(2d)

(3) For the purposes of this Decree, actual main activity means any activity from which a taxpayer realised the majority, but no less than 30%, of his income in the six months before the entry into force of this Decree.

(4) A paying agent under paragraph (1) shall be entitled to a benefit specified in sections 1 to 4 for the months of November and December 2020 and the months of January, February, March, April and May 2021.

**Section 6** (1) Access to the benefits under subtitle 1 shall be subject to the condition that the paying agent complies with his obligation to pay wages under the employment contracts that already existed at the time of entry into force of this Decree, and does not terminate by notice the employment contracts under section 64 (1) of Act I of 2012 on the Labour Code during the period referred to in section 5 (4).

(2) Access to the exemptions specified in sections 1 to 5 shall be subject to the condition that

*a)* the paying agent would have dismissed the employee due to the state of danger,

*b)* the paying agent notifies his exemption claim to the tax authority.

(3) The support contains aid under section 3.10 of the Communication from the Commission: Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak (19 March 2020, C(2020)1863 final), as amended by C(2020)2215 (3 April 2020), C(2020)3156 (8 May 2020), C(2020)4509 (29 June 2020), C(2020)7127 (13 October 2020) (hereinafter the “Temporary Communication”).

(4) For identifiable eligible costs that are in whole or in part identical, support under this Decree may be cumulated with another general employment support measure funded by local, regional, public or EU resources that does not constitute State aid within the meaning of point 1 of section 2 of Government Decree 37/2011 (22 March) on the procedure connected to State aids within the meaning of EU competition law and on a regional aid map (hereinafter the “Atr.”) and with State aid within the meaning of point 1 of section 2 of the Atr., provided that the support thus cumulated does not exceed 100% of the wage costs of the employees concerned with regard to the employer.

(5) All documents connected to the support shall be kept for ten years following the grant decision.

## 2. Provisions relating to accommodation services

**Section 7** (1) The provisions of subtitle 2 shall apply to service providers providing

- a) Hotel and similar accommodation services (TEÁOR 5510),
- b) Holiday and other short stay accommodation services (TEÁOR 5520),
- c) Camping ground, recreational vehicle park and trailer park services (TEÁOR 5530), or
- d) Other accommodation services (TEÁOR 5590).

as actual main activity.

(2) For accommodations registered with the National Tourism Data Supply Centre (hereinafter “NTDSC”) according to Government Decree 235/2019 (15 October) implementing the Act on state responsibilities regarding the development of tourism regions, the State shall pay compensation to accommodation service providers amounting to 80% of the net income calculated from bookings registered at NTDSC not later than on 8 November 2020.

(3) The compensation referred to in paragraph (2) shall be subject to the condition that

a) the accommodation service provider maintains the employment relationship of employees employed at the accommodation on 8 November 2020 throughout the month of November 2020,

b) the accommodation service provider pays the wages to the employees employed at the accommodation, and

c) those registered bookings form the basis for calculating the amount to be compensated that relate to the period of 30 days following the entry into force of this Decree.

(4) The detailed rules on applying for support shall be laid down in a separate government decree.

**Section 8** (1) The measure under section 7 (2) constitutes State aid within the meaning of Article 107 (1) of the Treaty on the Functioning of the European Union.

(2) If the beneficiary suffers a decline in turnover during the eligible period of at least 30% compared to the same period in 2019, the State aid under paragraph (1) shall be granted as aid under section 3.12 of the Temporary Communication (hereinafter “support for uncovered fixed costs”); in other cases, it shall be granted as aid under section 3.1 of the Temporary Communication (hereinafter “temporary support”).

(3) If the beneficiary is not entitled to the entire support under section 7 (2) in the form of support for uncovered fixed costs, he may also receive the support under section 7 (2) in the form of temporary support.

**Section 9** (1) The support for uncovered fixed costs constitutes State aid within the meaning of Article 107 (1) of the Treaty on the Functioning of the European Union, and shall be granted in the form of grants in accordance with the rules of section 3.12 of the Temporary Communication.

(2) A grant decision concerning support for uncovered fixed costs may be adopted on 30 June 2021 at the latest.

(3) Support for uncovered fixed costs may be granted only to undertakings that were not in difficulty on 31 December 2019.

(4) Notwithstanding paragraph (3), support for uncovered fixed costs may be granted to small enterprises within the meaning of Annex I to Commission Regulation (EU) No 651/2014 that were already in difficulty on 31 December 2019, provided that they are not subject to a procedure under section 6 (4a) *c*) of the Atr., and that the condition under section 6 (4a) *d*) of the Atr. is not met.

**Section 10** (1) For the support for uncovered fixed costs, eligible costs shall be the costs determined as all of the costs incurred by the beneficiary during the eligible period reduced by variable costs and revenue for the period concerned which are not covered by other sources (such as insurance or other state sources).

(2) The support for uncovered fixed costs shall not exceed a HUF amount corresponding to EUR 3 million, nor shall it exceed 70% of the eligible costs under paragraph (1) or, for small enterprises within the meaning of Annex I to Commission Regulation (EU) No 651/2014, 90% of the eligible costs.

(3) The support for uncovered fixed costs shall not be cumulated with other supports from the State under point 1 of section 2 of the Atr.

(4) Beneficiaries who, according to their annual accounts, audited if there is a requirement to this effect, concerning the financial year including the eligible period of the support for uncovered fixed costs received by them, exceeded the ceilings set out in paragraphs (1) and (2), shall be required to return the excess of support.

**Section 11** (1) The temporary support constitutes State aid within the meaning of Article 107 (1) of the Treaty on the Functioning of the European Union, and shall be granted in the form of grants in accordance with the rules of section 3.1 of the Temporary Communication.

(2) A grant decision concerning temporary support may be adopted on 30 June 2021 at the latest.

(3) Temporary support may be granted only to undertakings that were not in difficulty according to section 6 (4a) to (4b) of the Atr. on 31 December 2019.

(4) Notwithstanding paragraph (3), temporary support may be granted to small enterprises within the meaning of Annex I to Commission Regulation (EU) No 651/2014 that were already in difficulty on 31 December 2019, provided that they are not subject to a procedure under section 6 (4a) *c*) of the Atr., and that the condition under section 6 (4a) *d*) of the Atr. is not met.

**Section 12** (1) The aid component of the temporary support, together with other aids granted under section 3.1 of the Temporary Communication, shall not exceed a HUF amount corresponding to EUR 800 000 per undertaking.

(2) For the same eligible costs, temporary support may be cumulated with *de minimis* aid according to Commission Regulation (EU) No 1407/2014, provided that such cumulation does not result in exceeding the maximum support amount set out in paragraph (1).

(3) For the same eligible costs, temporary support may be cumulated with other supports from the State, provided that such cumulation does not result in exceeding the maximum aid intensity set out in the Block Exemption Regulations or the approval decision of the European Commission.

(4) For different eligible costs, temporary support may be cumulated with other supports from the State. Temporary support may be cumulated with supports from the State without eligible costs.

**Section 13** (1) Information under Annex 6 to the Atr. on individual temporary supports shall be published in the relevant database of the European Commission. To this effect, the entity granting the support shall transmit the information under Annex 6 to the Atr. on supports to the organisation responsible for State aid control under EU competition law by 1 August 2021.

(2) All documents connected to the temporary support shall be kept for ten years following the grant of support.

### **3. Granting wage subsidy**

**Section 14** (1) Persons referred to in section 5 (1) or specified in the labour market scheme may apply the provisions under this subtitle.

(2) Employers within the meaning of Act IV of 1991 on employment promotion and unemployment benefits (hereinafter the “Flt.”) who provide services under paragraph (1) may be granted, under a labour market scheme, support amounting to fifty per cent of the gross wage of a person employed under employment relationship, provided that

*a)* the employer undertakes not to terminate, by notice or by mutual consent, the employment relationship of the employee until the end of the month following the last day of the period of support, and

*b)* the employer pays the wage to the employee.

(3) Applications for support shall be submitted by the employers at the capital and county government office of their seat or establishment.

(4) The capital and county government office shall adopt a decision within eight working days.

(4a) If, for any reason whatsoever, an employer is no longer eligible for support granted in a decision, or he is no longer eligible for its full amount, he shall notify the capital and county government office that adopted the decision without delay, in accordance with the provisions laid down in the labour market scheme.

(5) Support may be granted only for the months of November and December 2020 and the months of January, February, March, April and May 2021. The support and the proportionate support shall be disbursed to employers as advance subsidy, in accordance with the provisions laid down in the labour market scheme.

(5a) The employer shall certify that he was eligible for the support disbursed to him by the end of the second month following the last day of the period of support, in accordance with the provisions laid down in the labour market scheme. If by that date, the employer does not certify his eligibility for support, or he certifies it only in part, he shall be required to return the part of the support unduly received.

(5b) If the employer complies with the obligation to return support imposed on him by the capital and county government office by the thirtieth day from imposing the obligation, further sanctions shall not be imposed on him in connection with the obligation to return support.

(5c) The employer may submit an application for payment moratorium by the thirtieth day after the obligation to return support has been imposed; based on such application, the capital and county government office shall set the date of recovery to 31 May 2022 and permit payment in instalments for a period of three months starting from that date.

(6) The rules of the Flt. and its implementing decrees shall apply to the support subject to the derogations laid down in this subtitle and the labour market scheme.

(7) The support shall be granted from heading XLVII Economy Protection Fund, title 2 National Employment Fund, chapter 15 Job Retention Scheme.

(7a) In the year 2021, the support under this section shall be granted from heading XLVII Economy Protection Fund, title 4 Economy Protection Employment Fund, chapter 15 Job Retention Scheme.

(8) The support contains aid under section 3.10 of the Temporary Communication.

(9) For identifiable eligible costs that are in whole or in part identical, support under this Decree may be cumulated with another general employment support measure funded by local, regional, public or EU resources that does not constitute State aid within the meaning of point 1 of section 2 of the Atr and with State aid within the meaning of point 1 of section 2 of the Atr., provided that the support thus cumulated does not exceed 100% of the wage costs of the employees concerned with regard to the employer.

(10) All documents connected to the support shall be kept for ten years following the grant decision.

#### 4. Final provisions

**Section 15** This Decree shall enter into force on 11 November 2020.

**Section 16** Wage subsidy under subtitle 3 shall be extended, without filing a separate application and in accordance with the provisions laid down in the labour market scheme, for the entire period under section 14 (5) for an employer who

*a)* filed an application before the entry into force of Government Decree 571/2020 (9 December) amending certain government decrees on economy protection measures during the period of state of danger, relating to his employee specified in the application and

*b)* does not make a statement before a capital or county government office by 31 December 2020 on having no intention to receive for the entire period the subsidy relating to his employee specified in the application.

**Section 17** Wage subsidy under subtitle 3 shall be extended, without filing a separate application and in accordance with the provisions laid down in the labour market scheme, for the entire period under section 14 (5) for an employer who

*a)* filed an application before the entry into force of Government Decree 32/2021 (29 January) amending certain government decrees on economy protection measures during the period of state of danger, relating to his employee specified in the application, and

*b)* does not make a statement before a capital or county government office by 8 February 2021 on having no intention to receive for the entire period the subsidy relating to his employee specified in the application.

**Section 17/A** Wage subsidy under subtitle 3 shall be extended, without filing a separate application and in accordance with the provisions laid down in the labour market scheme, for the entire period under section 14 (5) for an employer who

*a)* filed an application before the entry into force of Government Decree 86/2021 (27 February) amending certain state-of-danger government decrees, relating to his employee specified in the application, and

*b)* does not make a statement before a capital or county government office by 5 March 2021 on having no intention to receive for the entire period the subsidy relating to his employee specified in the application.

**Section 17/B** Wage subsidy under subtitle 3 shall be extended, without filing a separate application and in accordance with the provisions laid down in the labour market scheme, for the entire period under section 14 (5) and section 19 for an employer who

*a)* filed an application before the entry into force of Government Decree 147/2021 (27 March) amending certain government decrees on economy protection measures, relating to his employee specified in the application, and

*b)* does not make a statement before a capital or county government office by 6 April 2021 on having no intention to receive for the entire period the subsidy relating to his employee specified in the application.

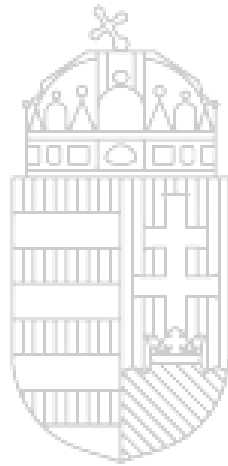
**Section 17/C** Wage subsidy under subtitle 3 shall be extended, without filing a separate application and in accordance with the provisions laid down in the labour market scheme, for the entire period under section 14 (5) for an employer who

*a)* filed an application before the entry into force of Government Decree 204/2021 (29 April) amending certain government decrees on economy protection measures during the period of state of danger, relating to his employee specified in the application, and

*b)* does not make a statement before a capital or county government office by 5 May 2021 on having no intention to receive for the entire period the subsidy relating to his employee specified in the application.

**Section 18** Wage subsidies already granted by capital and county government offices in a decision under subtitle 3 shall be disbursed to the employer as an advance subsidy, in accordance with the provisions laid down in the labour market scheme.

**Section 19**



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