

The National Tax and Customs Administration (NAV) deleted from its register taxable entities publishing advertising

Within the meaning of the provisions of the Advertisement Tax Act, as amended, effective from 1 December 2014, NAV keeps a register of taxable entities publishing advertising that so request and:

- have fulfilled their respective obligations to file tax and advance tax returns as well as to pay tax and advance tax within the time limit, or
- declare to the state tax authority that they have no tax liability in the relevant tax year (“statement of no tax liability”)

NAV may **delete** a taxable entity from the register on several occasions, and so at the request of the taxable entity or if the taxable entity fails to file tax returns or to fulfil his obligation to pay the full amount of taxes, if despite of his “statement of no tax liability” the taxable entity is liable to pay taxes in the given tax year or if the taxable entity ceases to exist, liquidation, winding-up or cancellation procedure have been instituted against him, as well as if his tax debt – on the 1st day of a calendar month – is in excess of HUF 100,000 in taxes of any kind.

In the case of a taxable entity making a “statement of no liability”, however, deletion takes place under Subsection 7/A (4) paragraph (d) of the Advertising Tax Act automatically irrespective of the aforesaid conditions without exception at the end of the tax year. Therefore, all undertakings applied for being registered in 2015 were automatically cancelled from the register of NAV as of 31 December 2015.

It means that as long as the taxable entities concerned do not repeatedly apply for being registered will be obligated to make a statement under Subsection 3(3) of the Advertising Tax Act in connection with publishing and the customer will not be relieved of his tax liability.

It is important that the taxable entities concerned submit their repeated application for being registered as soon as possible, as in accordance with the applicable statutory regulations the publisher is not required to make a statement to the customer and for that reason the customer will be relieved of his tax liability if the publisher is entered in the register **at the time the order was placed**. As a further benefit from being registered, the entities liable to corporate income tax do not need to add the costs in excess of HUF 30 million accounted for in connection with publishing of advertising to their pre-tax result, if the publisher is entered in the register at the time the order was placed.

The application for registration can be filed with the competent NAV office **in informal paper-based format** and free of charge. It is important to know that prior to registration NAV may carry out an audit to examine whether the statement is well-grounded or not.

The register published on the website of NAV is updated every month and the changes are entered into the register on the date when NAV becomes aware of them and will be published on the first day of the month following the relevant changes. Therefore, it is important for the interested parties to submit their applications for registration as soon as possible.