



FINACONT TAX NEWSLETTER

Environmental protection product fee on invoices



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Legislation on environmental protection product fee, defining the fee to be a tax liability, **has specified further requirements on how environmental protection product fee should be indicated on invoices.** These requirements should be applied by taxpayers, otherwise default penalty might be imposed on them.

Under current legislation **the main rule** is that the entity placing products subject to product fee on market (e.g. products produced by the entity itself or imported from abroad) or using products subject to product fee for own purpose **will be required to pay the product fee.** Act LXXXV of year 2011 on environmental protection product fee includes the itemized list of products subject to product fee. According to this act placing products such as – among others - **packaging supplies, batteries, lubricating oils, electrical and electronic equipment, tires, advertising and office papers, soaps, detergents and lotions** on the market or using these products for own purposes will be subject to environmental protection product fee.

Government Decree 343/2011. (XII. 29.) defines **regulations on how environmental protection product fee should be indicated on invoices.**

Under regulations in effect from 1 January 2014 **product fee and related clause text should be indicated on the invoice in an itemized way or, if this is not an option, they should be indicated with referring specifically to the items of the invoice.** It will not be correct if only a summary of the product fee or the clause are indicated at the bottom of the invoice as in this case the specific reference to the items of the invoice is missed.

The taxpayer is required to write the wording of clause defined in Section 7 of the Government Decree when indicating the environmental protection product fee on the invoice. The following wordings can be indicated on invoices in Hungarian (English translation is added for information purposes):

- „a csomagolószer termékdíj összege bruttó árból Ft” (“the product fee of packaging supplies from the gross price is HUF....”);
- „a csomagolás termékdíj-kötelezettség az eladót terheli” (“the product fee of packaging shall be born by the seller”);
- „a csomagolószer termékdíja a vevő eseti nyilatkozata alapján nem kerül megfizetésre” (“on the basis of the customer’s declaration the product fee of the packaging shall not be paid”);

- „a csomagolószerszám termékdíja a vevő ...számon iktatott időszakra vonatkozó nyilatkozata alapján nem kerül megfizetésre” (“on the basis of customer’s declaration regarding the financial period and filed under nr the product fee of packaging shall not be paid”);
- „a reklámhordozó papír termékdíj összege a bruttó árból Ft” (“the product fee of advertising paper is HUF..... from the gross price”);
- „az egyéb kőolajtermék vevője nem termékdíj-kötelezett, a bruttó árból Ft termékdíj átvállalásra került” (“the customer of other petroleum products is not subject to product fee, HUF of product fee has been taken over from the gross price”);
- a termékdíj-kötelezettség a Ktdt. 14. § (5) bekezdés ...) pontja ...) alpontja alapján a vevőt terheli” (“under point of Subsection 5 of Section 14 of the Act on environmental protection product fee the customer is required to pay the product fee”);
- „a termékdíj visszaigénylését az eladó igénybe veszi!” (“the seller shall reclaim the product fee”)

If necessary, **further information can be added to the wording of clauses** (e.g. environmental protection product code (KT code)/code of packaging catalogue (CSK code), price, weight, data of documents confirming the payment of product fee, etc.), however, the wording on invoices should always meet the statutory requirements on the proper form of the wording.

Please contact our colleagues if you wish to have an detailed interpretation of this legislation as this newsletter offers general understanding.

Should you have any questions, please do not hesitate to contact us.

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