

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Hungary

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Tax Cuts to Fight Fraud in Pork Market

Report Categories:

Livestock and Products

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Report Highlights:

To fight fraud, the Hungarian government is cutting taxes on live and slaughtered hogs.

General Information:**Cabinet slashes VAT on live hogs**

The Hungarian cabinet decided on November 8 to reduce the VAT on live hogs and slaughtered pigs from 27% to 5%. An amendment motion to the tax bills has been submitted to Parliament for a vote, followed by publication in the official gazette. Implementation is expected January 1. As a result of the reduced VAT, legitimate meat processors will no longer have to compete with tax-avoiding competitors who buy meat illegally, and farmers will be less likely to sell their products on the black market. The budget impact is estimated at Ft 10 billion (about \$45 million). Hungary's VAT rate is among the highest in the world.