

Hungary to introduce “bit tax”

Hungary's Prime Minister, Viktor Orban, plans to create the world's first tax on internet usage. The levy is Orban's latest “crisis tax” to slash government debt from 77% of gross domestic product

■ **Apr 2010:** Orban's right-wing Fidesz party sweeps to power with two-thirds majority. Government issues new laws which are criticized by EU as curtailing democracy, justice system and freedom of speech

FIDESZ



■ **2010, Bank tax:** Orban (*right*) imposes first sectoral tax – 0.5% retrospective levy on bank assets from start of year. **Tax costs banks €619 million.** In 2013, tax on cash withdrawals is doubled to 0.6% and increased to 0.3% on wire transfers

■ **Apr 2014:** Squeeze on banks tightened after Orban wins second term. **Forex loans are to be converted to forints (Fts) at cost to banks of €3 billion**



■ **2012, Telephone tax:** Monthly charge of Ft700 (€2.3) per subscription for individual customers and Ft2,500 (€8.1) per subscription for companies. **Tax generates €170m a year**



■ **2012: Energy sector tax:** Corporation tax on gas and electricity distributors increased from 8% to 19%, plus so-called “Robin Hood” tax of 11%, making total tax hike of 30%. **Tax costs energy sector €178m**



■ **2014, Advertising tax:** 40% levy imposed on annual advertising revenue of more than Ft20bn (€64.6m). **Tax will cost RTL Klub television station – 75% owned by German company Bertelsmann – more than €9m**



■ **2015: Internet tax:** Ft150 (€0.5) for each gigabyte of data, capped at Ft700 (€2.3) per month for private users and Ft5,000 (€16.2) for business. Without cap, typical monthly Netflix use would mean monthly tax bill of €20. **Hardest hit: Norway's Telenor, UK's Vodafone, U.S. Liberty Global and Magyar Telekom – 60% owned by Deutsche Telekom**