

WRITTEN QUESTION E-1327/04  
by Wolfgang Ilgenfritz (NI)  
to the Commission

Subject: Real estate tax in Hungary

It has been brought to my attention that, under national laws, Hungarian local authorities can impose higher house and real estate taxes on an EU citizen without Hungarian citizenship or residence in Hungary. In the present case, an EU citizen bought a house in Hungary and is now expected to pay house and real estate taxes which are around ten times the amount paid by Hungarian citizens permanently resident in Hungary.

According to my information, Hungary has negotiated the following transitional provisions:

- Hungary can keep its national provisions on the buying of property by foreigners for a period of five years after accession.
- Nationals of Member States and contracting parties of the EEA Agreement who have been legally resident in Hungary for an uninterrupted period of at least four years may not be subject to the above provisions, nor to any rules and procedures other than those which apply to Hungarian nationals.
- During the transition period, Hungary will apply procedures for authorising the purchase of second homes based on objective, permanent, transparent and published criteria. These criteria will be applied in a non-discriminatory manner and they must not differentiate between nationals of Member States who are resident in Hungary.

In my opinion, these transitional provisions only relate to the purchasing of property, which means that there is no justification for making any distinction with regard to real estate tax (infringement of Article 12 of the EC Treaty).

Can the Commission answer the following questions:

1. Is it true that in Hungary, real estate taxes can be higher for people who do not have Hungarian citizenship?
2. What transitional rules were negotiated with regard to real estate taxes?
3. What efforts are being made towards the introduction of the relevant EU law in Hungary?