



# **ELECTRONIC TAXATION IN HUNGARY**

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# The short history

- The electronic services of the Hungarian Tax Office (Hungarian Tax and Financial Control Administration – APEH) were the first e-government services in Hungary
- Experiments started in 1997 with a dozen of taxpayers and nowadays several hundred thousand taxpayers declare on-line using more than 150 different forms (downloadable programs).
- The history of electronic declaration in Hungary can be divided into different periods, depending on the technology used.

# The short history

- Electronic declaration between July 1997 and September 2002
  - The first experimental system was introduced in July 1997. It was based on the EDI and later on the WEB EDI technology. In February 2002 an Internet based technology replaced the EDI one, and was first used for the VAT declarations of the large taxpayers

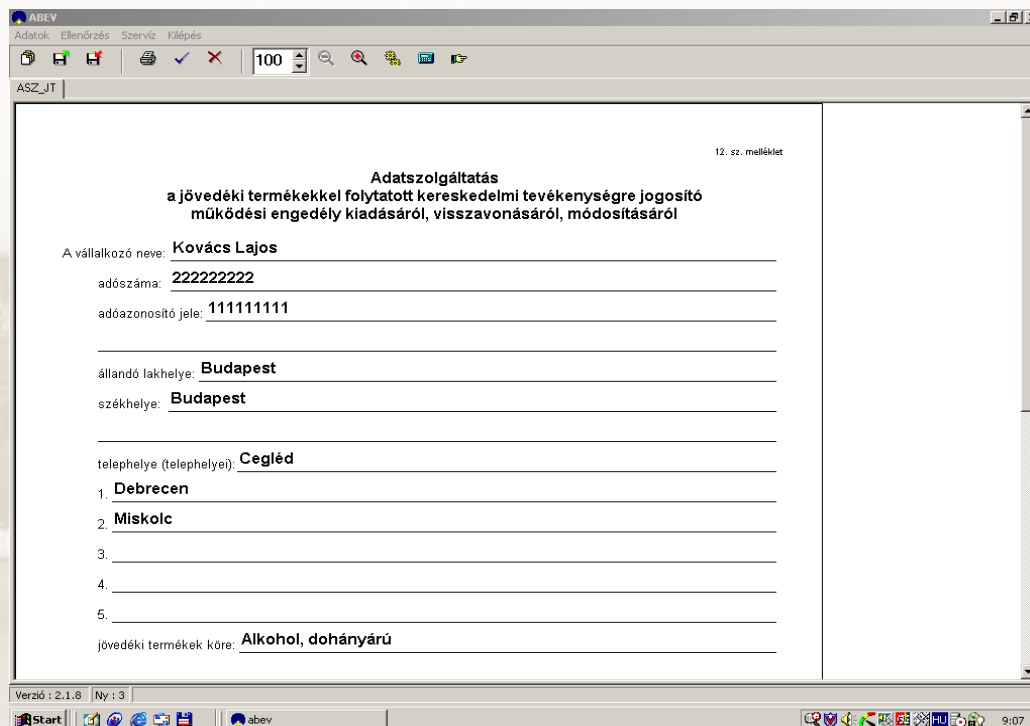
# The short history

- The taxpayers downloaded a program which helped them to fill the declaration.
- The declaration was encoded and sent to the server of the Tax Office.
- The incoming declaration was decoded and an acquaintance was sent back with some control data.
- The acquaintance was printed out, signed and sent back to the Tax Office by post.

# The short history

- The one-way electronic declaration from 2002 to nowadays (originally available for everybody)
  - The still existing one-way electronic declaration filing services of the Hungarian Tax Office are the very popular downloadable programs, sent back by post (from February 2007. only for personal income tax declaration)
  - To help the automatic processing of the declarations, 2D bar codes are used in which the information contained in the declarations is encrypted.

# The short history



ABEV  
Adatok Ellenőrzés Szervíz Kilépés

ASZ\_JT

12. sz. melléklet

**Adatszolgáltatás  
a jövedéki termékekkel folytatott kereskedelmi tevékenységre jogosító  
működési engedély kiadásáról, visszavonásáról, módosításáról**

A vállalkozó neve: **Kovács Lajos**

adószáma: **222222222**

adóazonosító jele: **111111111**

állandó lakhelye: **Budapest**

székhelye: **Budapest**

telephelye (telephelyei): **Cegléd**

1. **Debrecen**

2. **Miskolc**

3. \_\_\_\_\_

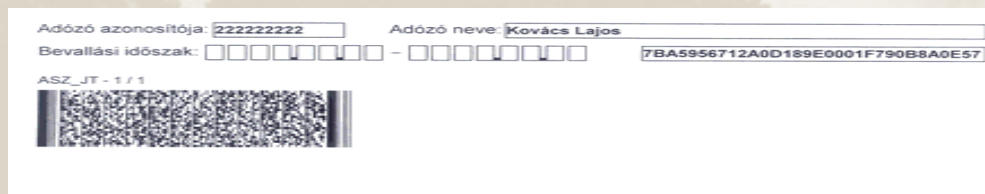
4. \_\_\_\_\_

5. \_\_\_\_\_

jövedéki termékek köre: **Alkohol, dohányárú**

Verzió : 2.1.8 Ny : 3


Start abev 9:07



Adózó azonosítója: **222222222** Adózó neve: **Kovács Lajos**

Bevallási időszak:  -  **7BA5956712A0D189E0001F790B8A0E57**

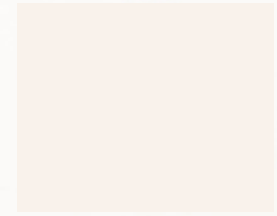
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# The short history

- Two-way electronic declaration using digital signature from 1<sup>st</sup> October 2002 to 30<sup>th</sup> April 2006
  - The tax office was the
    - Certification Authority (CA)
    - Registration Authority (RA)
    - Time-stamp provider
    - Application provider
  - To the 10.000 largest taxpayers, whom it was mandatory to use the system, the Tax Office provided a card reader and three cards free of charge.

# The short history



April 2007

Eastern European eGov Days

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# The short history

- Two-way electronic declaration using personal identifier and password (April 2005 – May 2006)
  - „Available for everybody”
    - Use of the „governmental gate” for identification
      - Username, password
      - Registration
        - » Offices of the Ministry of Interior
        - » Customer service offices of APEH (representatives)
    - The documents were digitally signed by a third party (time-stamp)

# The short history

- Two-way electronic declaration using the „post-box” system of the Governmental Gate (Central System)
  - The citizen has to register him/herself at an office of the Ministry of Interior.
  - There she/he receives a personal identifier, and later in e-mail, a password. This password should be changed when the system is used for the first time.
  - In parallel with the registration, a virtual “post-box” is assigned to the registered person.

# The short history

- All communications between the state administration and the citizen is realised through the usage of this post-box.
- Each state institution has also its own post-box.
- An electronic document sent to a state institution is first arrives to the post-box of the citizen.
  - An electronic document – the message - consists of two parts: the envelope and the content

# The short history

- The envelope contains different meta-data about the content, but the content is encrypted with the public key of the addressed institution and not visible for the Central System.
  - The Central System plays the role of the post.
    - Using the meta-data of the envelope it first places the message into the post-box of the sender, and after transfers it to the post-box of the addressee.
    - The addressed institution reads the messages from its post-box, decrypts its content by the usage of its own private key, and processes it.
    - The answers are sent back in a similar way.

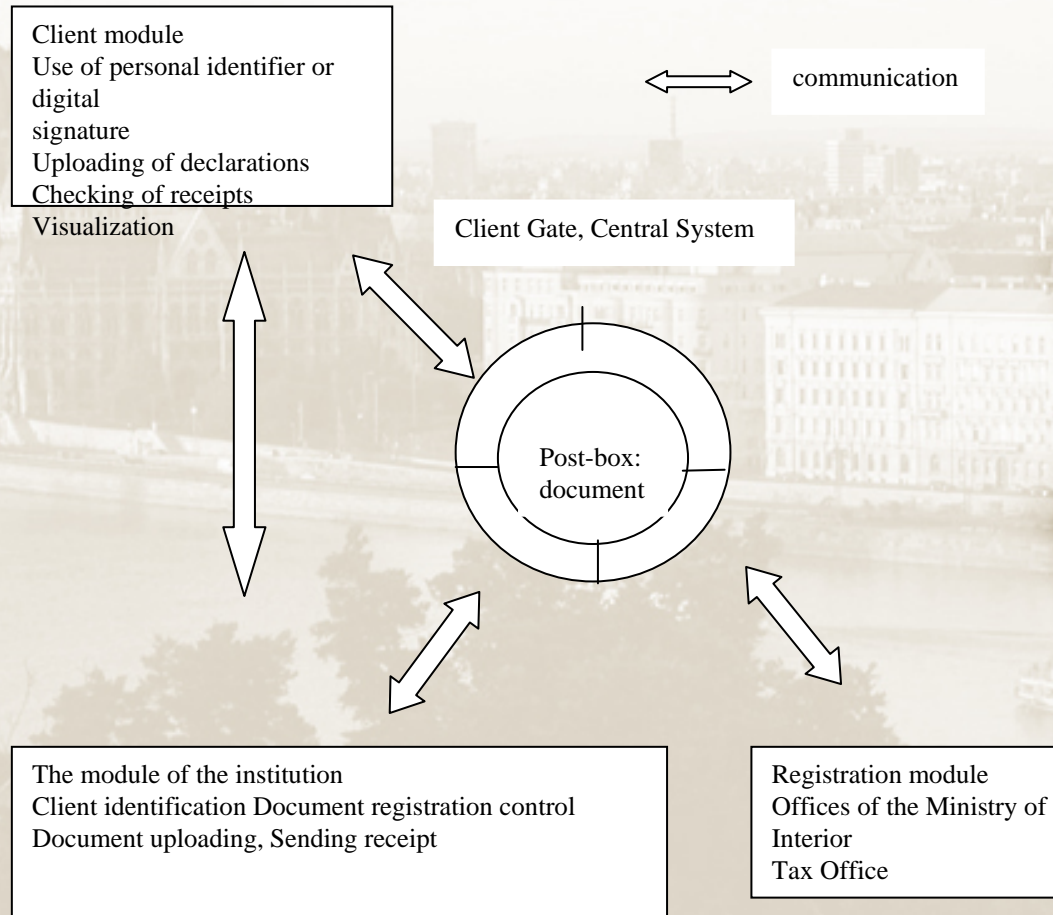
# The short history

- The advantage of the system is, that there is one “front-office” for all the state institutions receiving and sending messages, and they do not need to build up their own front offices calculating with the possible highest load. (For e.g. 80% of the different tax declarations arrive on the last two days, causing peak traffic once or twice in a month, or in a year, depending on the type of the declaration).
-

# The short history

- The disadvantage is, that the system is „off-line” instead of being „on-line”.
- However, different services like downloading of current state of tax accounts, or summary or details about the declarations sent, are provided by the portal of APEH and are not passed through the Central System.

# The short history



# The e-communication software package of APEH

- The package consists of three separate parts or modules:
  - Form designer and generator
  - Client module for filling, signing and sending e-forms
  - Server module including a portal and a processing part

# The e-communication software package of APEH

- The form designer and the program generator
  - The different versions of the form under construction are stored in a database. To support the standardisation of forms, it is possible to define libraries of components and the usage of sub-forms is also supported.
  - The form designer, from the stored form-plans generates a code interpretable for the form-filling program.

# The e-communication software package of APEH

- The generated code, which is to be published on the Internet, contains the graphical image of the form, the defined relations and formulas.

# The e-communication software package of APEH

- Form under construction using the form designer

The screenshot displays the APEH - Nyomtatványtervező: 610028@ABEVC software interface. The main window shows a form titled "BEVALLÁS" (Declaration) for the year 2003, related to personal income tax, contributions, and health insurance. The form is divided into sections: (A) HIVATAL (Authority) with fields for call number (0353) and dates; (B) AZONOSÍTÁS (Identification) with fields for tax ID, name, birth date, and address; and (C) a section for tax status and declarations. A right-hand pane titled "Tulajdonságok" (Properties) lists various form attributes such as Adattípus (Data type), Adóügyi azonosító (Tax ID), and various flags. The interface includes a menu bar, a toolbar, and a status bar at the bottom.

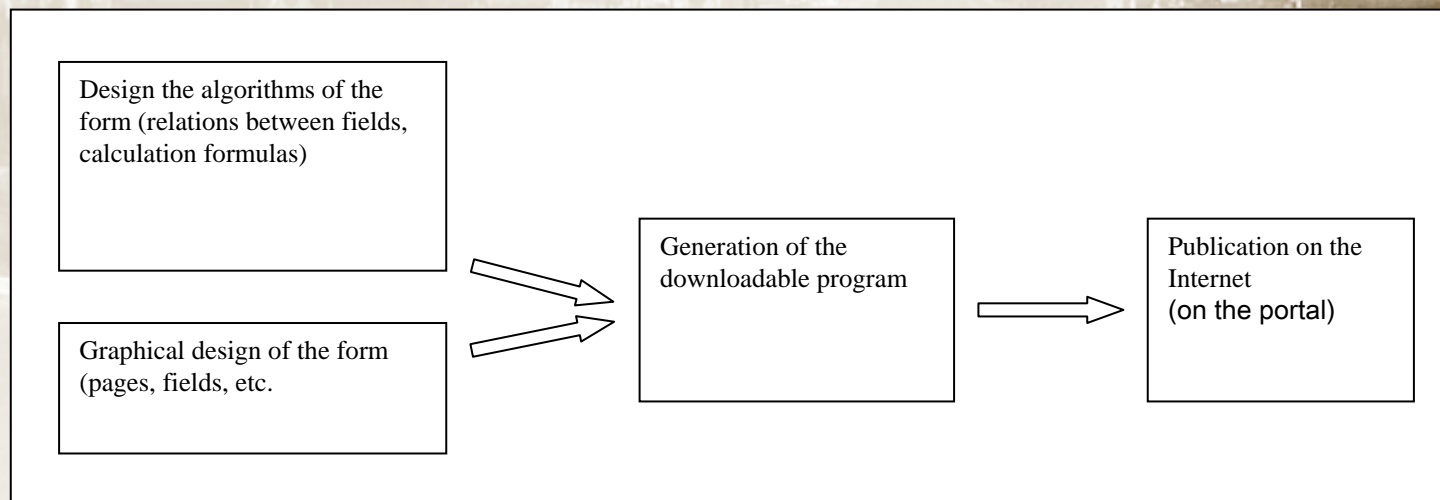
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# The e-communication software package of APEH

- The form designer and program generator

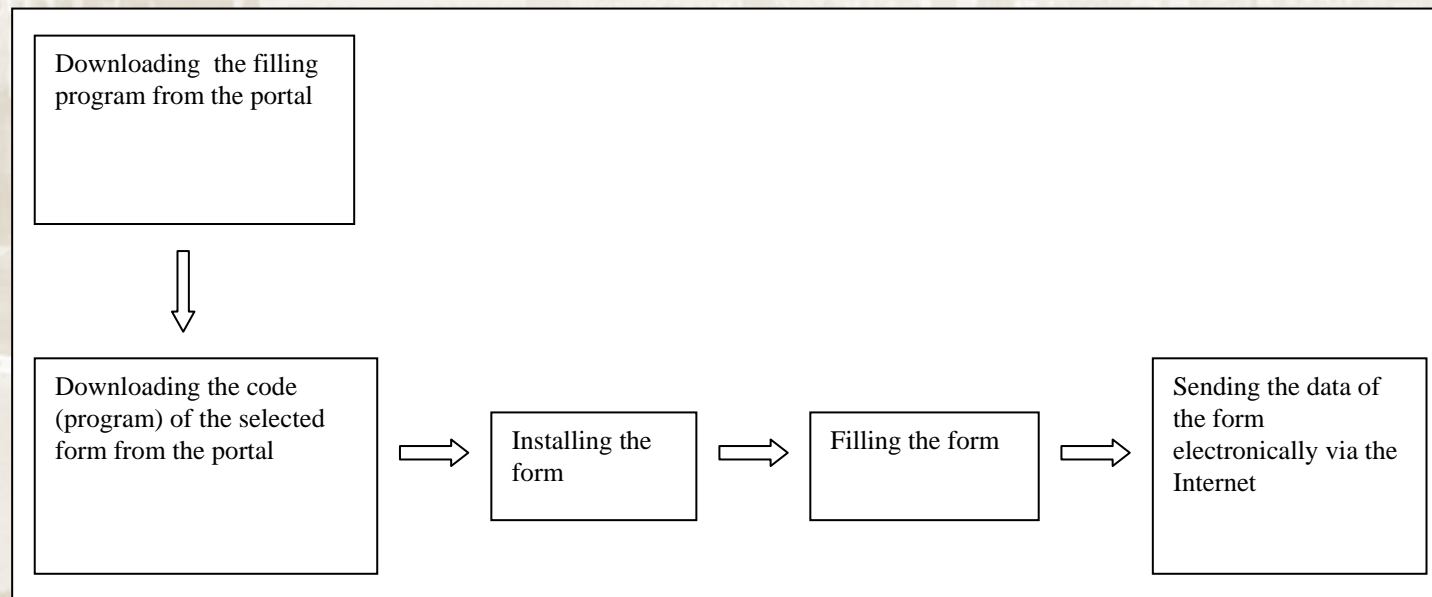


# The e-communication software package of APEH

- The client module
  - A frame program (the filling program) ensures the filling of all of the forms. It can be done manually or the data of the form can be imported from a file.
  - After filling the form it is possible to print it out or send it electronically to the institution dealing with the case.

# The e-communication software package of APEH

- Filling a form



# The e-communication software package of APEH

- The server system
  - The server system ensures the authentication and authorisation, registration of the incoming documents, times stamping, and the acquaintances and provides on-line access to the documents sent previously and to the tax accounts.
  - Finally it converts and loads the data into the back-office system.

A sepia-toned photograph of a cityscape, likely Vienna, featuring a large domed building (St. Stephen's Cathedral) on the left, a river (the Danube) in the foreground, and several large, multi-story buildings along the riverbank. The image is overlaid with a semi-transparent white rectangle in the top right corner and the text "Thank you for the attention" in the center.

**Thank you for the attention**