

Part II - Treaties and Tax Legislation

Subpart A – Tax Conventions and Other Related Items

Announcement Regarding the Effective Date of Termination of the United States-Hungary Tax Treaty

Announcement 2024-5

The Government of the United States provided a diplomatic notification, dated July 8, 2022, to the Government of the Republic of Hungary of its termination of the Convention between the Government of the United States of America and the Government of the Hungarian People's Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, in force since 1979 (Convention). See Press Release, U.S. Department of the Treasury, United States' Notification of Termination of 1979 Tax Convention with Hungary (July 15, 2022), <https://home.treasury.gov/news/press-releases/jy0872>.

In accordance with Article 26 of the Convention, termination was effective on January 8, 2023 (Termination Date). In respect of tax withheld at source, Article 26 states that the Convention shall cease to have effect with respect to amounts paid or credited on or after the first day of the next January following the Termination Date. In respect of other taxes, Article 26 states that the Convention shall cease to have effect with respect to taxable periods beginning on or after the first day of the next January following the Termination Date. Accordingly, in respect of tax withheld at source, the

Convention ceases to have effect with respect to amounts paid or credited on or after January 1, 2024. In respect of other taxes, the Convention ceases to have effect with respect to taxable periods beginning on or after January 1, 2024.

For further information regarding this announcement contact the Office of Associate Chief Counsel (International) at (202) 317-3800 (not a toll-free number).