



TaxNewsFlash

United States



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Tax treaty update: United States terminates treaty with Hungary

The U.S. Treasury Department officially confirmed that the United States on July 8, 2022, notified Hungary of termination of the income tax treaty (1979) between the two countries.

According to the Treasury [release](#) (July 15, 2022), the treaty termination will be effective on January 8, 2023.

- With respect to taxes withheld at source, the treaty ceases to have effect on January 1, 2024.
- With respect of other taxes, the treaty ceases to have effect with respect to tax periods beginning on or after January 1, 2024.

KPMG observation

A new income tax treaty was signed by the United States and Hungary in 2010, but advice and consent to the ratification of that treaty by the U.S. Senate is still pending.

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