



Environmental and packaging tax obligations in Hungary and Poland as of July 2023

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1 Environmental legislation and implementation of the EU Single-Use Plastics Directive in Eastern Europe

Companies operating in Hungary and Poland need to urgently clarify and implement their obligations in the area of environmental and packaging taxes. As early as 1 July 2023, Hungary will extend its producer (and distributor) liability and also extend the personal scope of its Green Tax to foreign web shop operators.

Poland also requires affected foreign companies to register in its waste register by 24 August 2023. Various levy and further action obligations are also to successively come into force for the period from 1 January 2024 onwards.

2 Hungary

In Hungary, companies are facing several new obligations, some of which apply simultaneously: Namely, on 1 July 2023 Hungary will introduce, as an environmental tax, an extension of its producer responsibility (Extended Producer Responsibility Scheme or "EPR"). This covers certain products that have been classified as environmentally harmful (e.g., packaging, various electronic devices, tyres, batteries, lubricants, motor vehicles, certain paper products and textile products). Those liable to pay the levy are not only the companies that manufacture the products, but also those that use the products themselves or place them on the Hungarian market for the first time. It is to be expected that a large number of entrepreneurs who are active on the Hungarian market will be affected by the new environmental tax. There is no minimum threshold for the application of the EPR obligation. In order to fulfil their EPR obligations, foreign companies must appoint a Hungarian fiscal representative. Where this has not yet been done, registration must be carried out immediately.



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Furthermore, besides the payment of an extended producer liability fee, the EPR obligation requires the retention of certain records and the quote of certain information on invoices.

In addition, the Hungarian tax authorities are extending the obligation to pay the Green Tax, which has already been in existence for some time, to web shop operators not established in Hungary who sell certain products (e.g., electronic devices, beauty care products, batteries and lubricants) to Hungarian end consumers. Products subject to this tax also include packaging for all kinds of goods. Companies supplying such products as of 1 July 2023 must register for the Green Tax with the Hungarian authorities by 15 July 2023, at the latest. Here, too, there is no minimum threshold of packaging used for the tax liability to apply. However, simplification regulations, such as annual flat rates, may apply for small quantities.

3 Poland

Poland has now also implemented the EU Single-Use Plastics Directive 2019/904 with a law dated 24 March 2023. The need for action on the individual regulations arises gradually between mid-2023 and 2025.

This affects companies that import the relevant products, make intra-Community purchases of such products or have such products manufactured and subsequently place them on the Polish market. Foreign companies must apply for registration in the Polish waste register (BDO register) by 24 August 2023. For this purpose, they can choose to appoint a Polish fiscal representative and entrust this representative with fulfilling their obligations. In addition to food containers and packaging containing foodstuffs for immediate consumption, the products covered are beverage containers with a capacity of up to 3 litres, beverage cups, lightweight plastic carrier bags (with a thickness of less than 50 micrometres), plastic filters for tobacco products, wet wipes and balloons.

Regulations on duties will mainly take effect from 1 January 2024: An annual fee per kilogram or piece of a relevant product will then have to be paid for placing certain single-use plastics on the market. Retailers and food service providers must also pass on a fee, per piece of single-use plastic packaging, to the end consumer. Companies must participate in the financing of educational campaigns by means of a levy in the instance where they market certain products such as tobacco filters containing plastic, wet wipes, balloons, menstrual hygiene products or fine plastic bags. In addition, action commitments to increase recycling are also foreseen: beverage bottles must contain a certain percentage of recycled plastic and companies must ensure certain recycling rates with regard to the packaging they place on the market.

From 1 July 2024, the trade in certain single-use plastic products (cotton buds, cutlery, plates, straws, stirrers, balloon sticks, as well as food and beverage containers and beverage cups, including lids made of expanded polystyrene) will be completely banned and subject to penalties. At the same time, wholesalers, retailers and food service providers must ensure that alternative non-plastic packaging or reusable packaging is available to customers. Lids of disposable beverage containers up to 3 litres capacity must be permanently attached to the containers.