

Statement

European Commission rightly refers Hungary to EU Court over discriminatory retail tax regime

Independent Retail Europe supports the [decision](#) of the European Commission to refer Hungary to the European Court of Justice for not bringing its retail tax regime in line with EU law.

This tax system implemented by the Hungarian government since 2022 violates the EU's freedom of establishment (Articles 49 and 54 TFEU), which requires equal treatment and prohibits discrimination between economic operators on the basis of their origin. The current retail tax system was intentionally designed to lead in practice to significantly higher tax burdens for retail companies of non-Hungarian origin than for retailers of Hungarian origin.

The system creates a planned **structural inequality and discrimination** meant to penalise retail groups with non-Hungarian roots.

This system, apart from imposing a restriction to the freedom of establishment, distorts competition, fragments the Single Market and discourages efficient business operation across borders. The Hungarian regime has created an uneven playing field that undermines investment and fair competition in the retail sector, and is also detrimental to local consumers.


It is high time for the EU to act decisively on this matter. Hence, we call for a swift procedure before the European Court to ensure that EU law is upheld without further delay.

This is all the more important as this discriminatory tax regime co-exists with another discriminatory measure imposing a cap on margins of retailers of foreign origin, which is subject to an [infringement procedure](#) (see [our press release](#) on the matter)

We call on EU institutions and national authorities to reject unequivocally any form of harassment of retailers across Europe and to preserve the integrity of the Single Market, which is essential to maintain a resilient food system that delivers enough food at affordable prices for all EU citizens.


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About Independent Retail Europe:

Independent Retail Europe is the European association that acts as an umbrella organisation for groups of independent retailers in the food and non-food sectors. Our members are groups of independent retailers, associations representing them as well as wider service organizations built to support independent retailers. Independent Retail Europe represents 23 groups and their over 479.000 independent retailers, who manage more than 708.000 sales outlets, with a combined retail turnover of more than 1,446 billion euros and generating a combined wholesale turnover of 657 billion euros. This represents a total employment of more than 6.300.000 persons.

