**The legal status of religious communities in Hungary**

*The legal status of religious communities (for all religious communities with a legal personality):*

– they operate separately from the state, the state may not operate and/ or establish any organ for controlling and supervising them;

– they have the right to operate under their own principles of faith and system of rites;

– they may participate in value-creating service for society;

– their religious activity shall enjoy enhanced protection under infraction law and criminal law;

– they are also entitled to the enhanced legal protection of their name, system of symbols and rites;

– they may use the designation ‘church’ in their name and with regard to their activity;

– they may participate in civil law relationships without any restrictions;

– the possibility of expressing opinions on draft laws and on legislative concepts shall be ensured for them in the manner laid down in a law.

Religious associations may determine the way of creating membership rights and the scope, tasks and powers of persons who are entitled to make and monitor decisions concerning the religious association, as well as to administer the affairs of and act as the representative of the religious association differently from the rules of associations.

*As regards their operation, religious communities are entitled to:*

– more favourable taxation rules than those applicable to legal entities that primarily perform business or entrepreneurial activities, in terms of corporate tax,

– receive 1% of the personal income tax, which can be designated by taxpayers,

– receive budgetary support for the upbringing-educational, higher educational, health-care, charity, social activities and services in the field of family, child and youth protection, as well as cultural or sports activities performed by them,

– conclude building society contracts,

– perform works of art in the course of their religious rites and religious ceremonies without the obligation to pay royalty,

– work in the public interest may be performed for them without any restrictions,

– perform chaplaincy services in prisons, hospital pastoral care and spiritual care services,

– exercise their right to the freedom of assembly in religious rites, events and processions without any restrictions,

– provide faith-based instruction in higher educational institutions operated by them,

– provide religious education on an optional basis,

– operate archives for the purpose of collecting official documents administered by them,

– hold burials in the framework of religious rites,

– engage the service of convicted persons for performing reparative work and work in the public interest, ordered in criminal proceedings.

The annual Acts on the state budget include a specific operational support appropriation for religious communities.

In addition to the above-mentioned rights granted to all religious communities, **religious communities with ecclesiastical legal status** are also entitled to the following rights:

– they may organize religious education in state higher educational institutions;

– their church officials are entitled to income tax and social insurance allowances;

– their faith-based and business-like activity related to their public purpose activity, as defined in the Church Act, do not qualify as business-entrepreneurial type activity, in details:

a, operation of institutions serving faith-based and public purpose activities,

b, production or sale of publications or objects of piety that are necessary for faith-based life,

c, sale of immaterial goods, objects or stocks serving exclusively faith-based activities, including the reimbursement of the cost of liturgical clothing,

d, provision of services complementary to faith-based activities, the non-profit oriented use of appliances serving these activities,

e, operation of pension institutions or pension funds set up for the purpose of self-support of church officials, and

f, consent to the use of the name, abbreviated name, commonly used name, coat of arms and emblem of the ecclesiastical legal person by others;

– their revenue serving religious purposes and the use thereof shall not be monitored by state organs (including 1% of the personal income tax offered for their benefice and its budgetary complement, and in the case of those churches which are eligible to it, the real estate annuity);

– exemption from the payment of company car tax;

– not being subject to local taxes (except for the tax on tourism);

– any pecuniary value provided for them, which is directly connected with a religious service provided by them is exempt from personal income tax;

– more favourable accounting and tax return rules apply to them;

– donations of public interest provided for them are exempt from VAT.

In addition to the above-mentioned, **established churches** are entitled to the following benefits as a substantive right:

– they are entitled to the same amount of budgetary support as is due to state institutions, for their public service activities (other religious communities are entitled to supplementary support based on a special agreement);

– they may hold religious and moral education lessons instead of the compulsory ethics lessons in grades 1 to 8 in state schools;

– they may provide army chaplaincy services in case of an agreement pertaining to them;

– for them the following shall not qualify as business or entrepreneurial activities:

a, operation of sports institutions, as well as undertaking environmental protection activities,

b, making use of holiday homes by providing services to church personnel,

c, partial usage of real estate used for church purposes,

d, maintenance of cemeteries,

e, sale of immaterial goods, objects or stocks serving environmental protection activities or public purpose activities defined in the Church Act,

f, provision of services complementary to environmental protection activities and activities of public interest defined in the Church Act, and the non-profit oriented use of appliances serving such activities,

g, production and sale of products, notes, textbooks, publication or studies created in the course of performing public duties taken over from the state or local governments.