

Financial position of the producer

- Scenario A: no direct production costs incurred in Hungary
- Scenario B: 75% of direct production costs incurred in Hungary
- Scenario C: 100% of direct production costs incurred in Hungary

Producer	A	B	C
Total production budget	1,000,000	1,000,000	1,000,000
Direct production costs incurred in Hungary	0	750,000	1,000,000
Financial support received (amount indicated in the sponsorship certificate)	0	150,000	200,000
Final cost to the producer	1,000,000	850,000	800,000

Financial position of the Hungarian taxpayer

Hungarian taxpayer	A	B	C
Profit before financial support to producer (hypothetical)	2,350,000	2,350,000	2,350,000
Financial support to producer (amount indicated in the sponsorship certificate – upto maximum of 20% of Hungarian Spend)	0	150,000	200,000
Profit before tax	2,350,000	2,200,000	2,150,000
Tax base (no increase)	2,350,000	2,200,000	2,150,000
Tax liability (16%)	376,000	352,000	344,000
Tax allowance (amount indicated in the sponsorship certificate)	0	150,000	200,000
Tax payable	376,000	202,000	144,000
Tax Saving for Hungarian taxpayer	0	24,000	32,000