

## **Hungary Govt Backs 8 pct Tax on Energy Firms**

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BUDAPEST - Hungary's government plans to impose an eight percent tax on the profits of energy companies for two years from 2009, Finance Minister Janos Veres said on Friday.

The Socialist government hopes to generate 30 billion forints (\$174.9 million) from the tax, which would be used to subsidise low-income households' energy bills.

But it faces an uphill struggle to gain legislative approval for the bill, as the Socialists hold a minority of parliament's 386 seats.

The base of the tax will be identical with that of the country's 18 percent corporate tax, Veres told a news conference, adding that the government would submit the legislation separately from its general 2009 tax bill.

Hungary consumes some 14 billion cubic metres of gas per year, most of which is covered from imports, primarily from Russia.

Import prices have surged in tandem with rising global energy prices, resulting in a series of gas price hikes for Hungarian households this year.

**Source: Reuters**