15 SEPTEMBER 2026

BUDGET DAY 2026

On Budget Day (Prinsjesdag), Tuesday 15 September 2026, the Dutch government presented the 2027 Tax Plan together with a series of additional tax bills. The Tax Miscellaneous Provisions Act 2027 (Fiscale Verzamelwet 2027) had already been submitted to the House of Representatives earlier.

Dirkzwager's tax advisers have reviewed the plans for you. In this publication you will read which proposed measures are most relevant to you, what will change on 1 January 2027 and what you can already take into account now.

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1. Corporate income tax (1/6)

Corporate income tax rates

The corporate income tax rates will not change in 2027. The rates for 2027 are set out below:

Taxable income	Rate
€ 0 - € 200,000	19%
€ 200,001	25.8%

Debt waiver exemption

The debt waiver exemption exempts from corporate income tax the profit that arises when creditors waive irrecoverable receivables, in order to remove tax obstacles to restructuring. However, where the Dutch Central Bank (DNB) or a comparable authority writes down a debt using its resolution powers, the creditor itself does not waive the receivable, which means the exemption currently does not apply.

It is proposed to treat such a write-down by DNB (or a comparable institution) in the same way as the waiver of an irrecoverable receivable, so that the debt waiver exemption can be applied. This only covers the part of the debt for which no consideration (such as new shares) is received.

The measure affects banks, investment firms, insurers and central counterparties in resolution.

1. Corporate income tax (2/6)

Interaction between subject-to-tax tests and the minimum tax (Pillar Two)

The Dutch Corporate Income Tax Act contains several anti-abuse provisions with a so-called subject-to-tax test. Under such a test there is no abuse if tax has already been paid elsewhere at a reasonable rate, meaning a rate of at least 10% on a profit determined in accordance with Dutch standards.

Since the introduction of the international minimum tax (Pillar Two), which ensures that large groups with a turnover of € 750 million or more always pay an effective tax rate of at least 15%, it has already been clarified that the Pillar Two top-up tax also counts as 'profit tax' for these tests. The 2027 Tax Plan proposes to arrange this also in respect of the subject-to-tax rules applied in respect of portfolio investment participations and foreign business profits.

THRESHOLD

10%

profit tax on a profit determined in accordance with Dutch standards

PILLAR TWO

› **15%**

effective minimum for groups with a turnover of € 750 million or more

1. Corporate income tax (3/6)

Currency results on hedging instruments under the participation exemption

Under the participation exemption benefits from a qualifying participation are in general exempt from corporate income tax. On request, this can also apply to benefits arising from hedging instruments intended to hedge the currency risk run on the participation (for example through a loan in foreign currency or a currency forward contract). Under the current rules, the full currency result on such a hedging instrument can be brought under the participation exemption, provided the tax inspector determines that the instrument serves to hedge the currency risk of a qualifying participation.

For financial years starting on or after 1 January 2027 this would change. From that moment, only the non-priced-in currency result on a qualifying hedging instrument can fall under the participation exemption. This is the difference between the expected currency movement and the actual exchange rate development. The priced-in currency result, on the other hand, is taxed.

The priced-in currency result is the part of the currency result that is already foreseeable when the transaction is entered into and is reflected, for example, in a higher or lower interest rate on a loan. The change prevents a higher interest rate from being fully deductible while the related currency gain, already foreseen when the loan was taken out, is fully exempt. Transitional rules apply to existing instruments.

The exemption only applies in respect of a hedging instrument on request by the taxpayer. An objection or appeal against the ruling issued on such a request can only concern the question of whether there is a qualifying hedging instrument. Any dispute about the amount of the exempt currency result would have to be resolved later, in the form of an appeal against the tax assessment imposed over the fiscal year in which the currency result materialises.

1. Corporate income tax (4/6)

Presumption of proof in the business merger and demerger facilities

In a business merger or (partial) demerger, a tax facility can be applied under which taxation is deferred, provided the transaction is not predominantly tax-driven. The law contained a presumption of proof in this respect: if shares in one of the companies involved were sold to a non-related party within three years of the demerger, business reasons were deemed to be absent, which in principle led to the facility being withdrawn unless the contrary was demonstrated.

On Budget Day it was proposed to abolish this presumption. The reason is the Supreme Court judgment of 27 February 2026 (ECLI:NL:HR:2026:298), in which the Supreme Court ruled that this automatic presumption conflicts with the EU Merger Directive, because the tax inspector must first provide prima facie evidence that business reasons are absent or that tax avoidance is involved before the burden of proof shifts to the taxpayer. According to the Supreme Court, a sale of shares shortly after a demerger, even where there was a pre-existing intention to sell, does not in itself mean that business reasons are absent.

The exact scope of this judgment, and with it the room to demerge tax-neutrally in anticipation of a share sale, will have to be further clarified in case law even after the statutory presumption has been abolished, including by the court of referral ('s-Hertogenbosch Court of Appeal) to which the case has been remitted.

TERM

Merger Directive

The European Merger Directive (2009/133/EC) obliges EU Member States to allow mergers, demergers and share exchanges within the EU to take place tax-neutrally. A Member State may refuse this facility if the main objective of the transaction is tax fraud or tax avoidance.

1. Corporate income tax (5/6)

Changes to the innovation box

Under the innovation box, benefits from self-developed intangible assets can effectively be taxed at a reduced rate. Before these benefits actually qualify for the innovation box, the development costs of the asset concerned that were previously charged against profit must first be recouped. At present, these development costs are determined by the tax inspector in a ruling that is open to objection.

Abolition of the development costs ruling

It is proposed to abolish this ruling as of 1 January 2028. In our experience, such a ruling was in practice often not issued even now, so that taxpayers frequently had to determine themselves, without a formal determination by the tax inspector, what amount of development costs still had to be recouped. Abolishing the ruling means that taxpayers and the Dutch Tax Administration will have to rely entirely on the taxpayer's own records and substantiation of the development costs when filing and assessing returns, without the earlier determination by the inspector that was open to objection.

Increase of the lump sum

In addition, it is proposed to increase the maximum lump-sum amount under the innovation box from € 25,000 to € 100,000 as of 1 January 2027. The lump-sum scheme is intended to make the innovation box more accessible to SMEs. It allows taxpayers to determine the benefits qualifying for the innovation box on a lump-sum basis. These benefits are then set at 25% of the profit, with a maximum of € 100,000. The scheme can be applied per intangible asset for a maximum of three years.

The increase is meant to make the lump-sum scheme more attractive. The evaluation of the innovation box showed that taxpayers increasingly do not use the scheme, because the administrative burden does not always outweigh the benefits. Moreover, the maximum amount of € 25,000 has not been indexed since its introduction in 2013. The increase to € 100,000 is intended to improve the use of the lump-sum scheme and thereby the accessibility of the innovation box for SMEs.

1. Corporate income tax (6/6)

Exemption from the earnings stripping rule for housing associations

Although no bill has yet been published, the government confirmed on Budget Day that it intends to exempt housing associations from the earnings stripping rule. That rule limits the deductibility of net interest payable in corporate income tax to, in principle, 24.5% of fiscal EBITDA, i.e. the taxable result before interest, taxes, depreciation and amortisation. The earnings stripping rule stems from the European Anti-Tax Avoidance Directive (ATAD) and currently also applies to housing associations. It is proposed to take housing associations entirely outside the scope of this measure from 2028. This exemption should give housing associations more fiscal room for investments in, among other things, the construction and sustainability improvement of social rental housing.



TERM

ATAD

The Anti-Tax Avoidance Directive (2016) is the European directive containing minimum rules against tax avoidance. The Netherlands has implemented, among other things, the earnings stripping rule (interest deduction limitation), the CFC rule and the exit tax in corporate income tax on the basis of this directive.

2. Minimum tax OECD Pillar Two (1/2)

Introduction

Along with the 2027 Tax Plan, the Dutch government has also introduced rules implementing the Pillar Two side-by-side package into Dutch national law. The package includes several new safe harbours.

Simplified effective tax rate safe harbour

This permanent safe harbour reduces the administrative burden.

Groups can opt, per jurisdiction, for a simplified calculation of revenue, income and taxes instead of the detailed calculation under the Minimum Tax Act 2024 (WMB 2024). If the simplified effective tax rate is at least 15% (or there is a simplified loss), no top-up tax is due and the full calculation does not have to be made. This safe harbour is expressly intended as an administrative relief, not as a lowering of top-up tax that would otherwise be due.

The side-by-side package in principle links this rule to reporting years from 31 December 2026, but allows it to be applied, subject to conditions, from 31 December 2025.

Qualifying equivalent minimum tax system safe harbour

This safe harbour applies to jurisdictions that have not implemented the global minimum tax rules but do have some form of minimum tax. Its application results in the top-up tax being set at nil for the income inclusion rule and the undertaxed profits rule of multinational groups whose ultimate parent entity is located in a qualified jurisdiction.

The qualified domestic top-up tax continues to apply unchanged. To qualify, a jurisdiction must have both a qualifying domestic and a qualifying global (foreign) tax system. Whether these (combined qualitative and quantitative) criteria are met is assessed by the Inclusive Framework at the request of a jurisdiction, with a filing deadline up to and including 2028.

The Netherlands will not itself file a request to qualify in this way, because the WMB 2024 already guarantees the minimum level and an amendment of the Corporate Income Tax Act 1969 is not considered justified for this purpose.

2. Minimum tax OECD Pillar Two (2/2)

Ultimate parent entity safe harbour

This rule concerns the domestic activities of multinational groups whose ultimate parent entity is located in a jurisdiction with a qualifying domestic tax system (the same criteria as under the equivalent tax system safe harbour described above). It sets the undertaxed profits rule at nil for all entities in the jurisdiction of the ultimate parent entity. To qualify, the jurisdiction must already have had a qualifying domestic tax system before 1 January 2026. The Inclusive Framework assesses requests from other jurisdictions. This rule is in fact a stricter, structural successor to the previously existing temporary UTPR safe harbour.

For group entities not located in the jurisdiction of the ultimate parent entity, the undertaxed profits rule and the income inclusion rule continue to apply in full, so that those jurisdictions retain the incentive to introduce a domestic top-up tax themselves.

Other changes

Other changes include an extension of the temporary qualifying country-by-country report safe harbour (CbCR safe harbour) by one year. Specifically, the CbCR safe harbour is extended to reporting years starting on or before 31 December 2027 and ending before 1 July 2029. Furthermore, a technical amendment is made for the application of the temporary UTPR safe harbour to multinational groups with a reporting year of 52 or 53 weeks.

TERM

Ultimate parent entity

The ultimate parent entity (UPE) is, in short, the entity at the top of a multinational group: it directly or indirectly holds a controlling interest in all other group entities and is not itself controlled by another entity.

3. Dividend withholding tax (1/2)

Group concept for a qualifying membership right

Dividend withholding tax may be levied on the proceeds from a membership right in a holding cooperative established in the Netherlands if that membership right entitles the holder to at least 5% of the annual profit or of the liquidation proceeds. For this purpose, the membership rights of members of a so-called cooperating group are counted together.

It is unclear, however, whether this also applies where several members of the holding cooperative together form a cooperating group while those members are not related to each other. The current wording of the law can be read as testing whether there is a cooperating group in relation to one member, rather than in relation to the members of the holding cooperative jointly. It is proposed to clarify this: the test should be whether there is a cooperating group in relation to the investment in the holding cooperative itself, even if the members are not related to each other. This prevents the 5% threshold from being circumvented by splitting an interest between non-related members.



TERM

Holding cooperative

A cooperative whose actual activities in the preceding year consisted mainly (70% or more) of holding participations or directly or indirectly financing related entities.

3. Dividend withholding tax (2/2)

Refund scheme for Dutch investors in foreign investment funds

Dutch tax law includes a remittance reduction that, as a main rule, applies only to Dutch fiscal investment institutions. If these institutions have suffered dividend withholding tax themselves, they may offset that tax against the dividend tax they have to remit when passing on the dividends to their investors. That way shareholders do not face double taxation. This remittance reduction does not apply to foreign investment funds.

Following the Supreme Court judgment of 13 September 2024, a refund scheme is proposed for Dutch investors who receive dividends from companies established in the Netherlands through investment funds established outside the Netherlands. The Supreme Court ruled that these dividends may not be taxed more heavily than Dutch dividends that are passed on to Dutch investors through a fiscal investment institution established in the Netherlands.

To eliminate this difference in treatment, the proposed scheme introduces the possibility for Dutch investors to (under conditions) reclaim the Dutch dividend withholding tax withheld at the level of a foreign investment fund.

The filing period for a request to claim such refund would be five years for individuals and three years for entities. This period starts after the end of the financial year of the foreign investment fund in which the underlying profit was distributed.

INDIVIDUALS	ENTITIES
5 years	**3 years**
filing period for refund request	filing period for refund request

4. Personal income tax (1/5)

Box 1 rates (income from work and home ownership)

The rates and brackets applicable in 2027 to taxable box 1 income are set out below. This is the combined rate of income tax and national insurance contributions. Separate tables apply to persons entitled to a state pension (AOW) and to taxpayers born before 1 January 1946.

Income (box 1)	Rate
€ 0 - € 39,247	36.23%
€ 39,248 - € 78,426	38.16%
€ 78,427 >	49.50%

Besides the rate changes, the 2027 Tax Plan provides for various amendments to the available allowances and tax credits.

Energy investment allowance (EIA)

The energy investment allowance (EIA) allows entrepreneurs who invest in energy-efficient business assets and renewable energy to deduct, in addition to the usual depreciation, an extra percentage of the investment amount from their taxable profit. The EIA is available to entrepreneurs subject to both personal income tax and corporate income tax and applies to business assets listed on the annually published Energy List. The deduction percentage is currently 40% of the investment amount. As of 1 January 2027 this percentage will be increased to 45.5%.

4. Personal income tax (2/5)

With this increase, the government aims to strengthen the EIA as an incentive for energy saving, CO2 reduction and sustainable business operations. The other conditions for applying the EIA, including the investment threshold, the budget ceiling and the requirement that the asset be listed on the Energy List, are not changed by this proposal. For entrepreneurs considering energy investments, the higher allowance may make such investments more attractive from a tax perspective from 2027.

EIA NOW

40%

deduction of the investment amount

FROM 1 JANUARY 2027

› **45.5%**

deduction of the investment amount



4. Personal income tax (3/5)

Box 2 rates (income for substantial shareholdings)

The rates and brackets applicable in 2027 to taxable box 2 income are set out below.

Income (box 2)	Rate
€ 0 - € 69,607	24.50%
€ 69,608 >	31.00%

For tax partners, a joint first bracket of € 139,214 applies.

Determining the acquisition price on relocation of a company to the Netherlands

When the place of effective management of a company is relocated to the Netherlands, a substantial shareholder living abroad (holding an interest of 5% or more in that company) becomes subject to non-resident taxation in box 2. At that moment, the acquisition price of the substantial interest must be determined. Under current law, the historical consideration could be taken as the starting point, which can lead to undesirable outcomes. It is proposed that, as of 1 January 2027, the acquisition price is to be set at the fair market value at the time of the relocation, so that only the increase in value after the relocation is subject to capital gain taxation in box 2.

4. Personal income tax (4/5)

Amendment of the lucrative interest rules

Benefits from a so-called lucrative interest held through a company in which the taxpayer holds a substantial interest are taxed at a favourable tax rate in box 2 instead of box 1, provided the so-called ‘pass-through obligation’ is met.

As of 1 January 2028, the tax base for income from a lucrative interest will be broadened by means of a multiplier: the income from the lucrative interest is multiplied by the fraction ‘box 3 rate / top box 2 rate’. As a result, the effective tax rate on lucrative interest income is aligned with the box 3 rate of 36%. This is intended to ensure a balanced taxation of such income.

Benefits that are not ‘passed through’ (a maximum of 5% of the lucrative interest income per year) will remain effectively taxed at the applicable regular box 2 rates upon a later dividend distribution.

According to the State Secretary, existing settlement agreements with the Dutch Tax Administration will not lapse as a result of this legislative change.

TERM

Lucrative interest

An interest (shares, receivables or other rights) that was acquired partly as remuneration for employment and that can generate a return that is disproportionate to the investment.

TERM

Pass-through obligation

Where a lucrative interest is held through one's own company, the pass-through obligation applies: at least 95% of the benefits from the lucrative interest must be distributed as dividend to the substantial interest holder in the same year. Only then is the benefit taxed in box 2 instead of box 1.

4. Personal income tax (5/5)

Box 3 rate (investment income)

The box 3 rate in 2027 is 36% and therefore remains unchanged.

Tax-free allowance

The tax-free allowance will be increased in 2027 to € 60,098 (€ 120,196 for tax partners jointly).

Exemption for green investments

The exemption for green investments will be reduced to approximately € 200 (€ 400 for tax partners) as of 1 January 2027.

The exemption for green investments was due to lapse on 1 January 2027. In line with the delayed intended introduction of the new box 3 system, the abolition date has been moved to 1 January 2028. The government is currently examining whether the tax incentive for green investing can be retained after all.

Future box 3 system (from 2028)

The intention is that from 2028 only the actual return on assets will be taxed in box 3, taking into account both realised and unrealised returns (capital growth tax). For real estate and shares in start-ups and scale-ups, however, the intention is to tax realised gains only (capital gains tax). What constitutes a start-up or scale-up is described under Payroll taxes (6/6).

The current bill, which is now before the Senate, appears unlikely to be processed further for the time being. The coalition parties disagree on how box 3 should be taxed from 2028. The Dutch Tax Administration previously indicated that it would not be able to switch to a new system based on capital gains until 2032. There is therefore still uncertainty about how tax will be levied on investment income from 2028 onwards; it is likely that the current deemed-return system with a rebuttal option will remain in place for the time being.

Would you like to stay informed about developments concerning the new box 3 system? Keep an eye on our website.

5. VAT

No far-reaching or unexpected VAT changes were announced on Budget Day or in the Tax Miscellaneous Provisions Act 2027. We have briefly listed the changes that were announced.

Separately from Budget Day, it is worth following developments around ViDA (VAT in the Digital Age), as ViDA will bring a number of changes in the coming years. Would you like to know more? Read our articles: ViDA: which VAT rules will change and when? and Single VAT registration under ViDA: what changes from 2027?

VAT rate on ornamental horticulture increased to 21%

The reduced VAT rate of 9% will be abolished for ornamental horticulture as of 1 January 2028. This applies, among other things, to flower bulbs, flowers, plants and products such as Christmas trees.



VAT rate on hot-air balloon flights increased to 21%

The reduced VAT rate of 9% will be abolished for hot-air balloon flights as of 1 January 2028.

REDUCED RATE NOW		FROM 1 JANUARY 2028
9%	›	21%
ornamental horticulture and balloon flights		ornamental horticulture and balloon flights

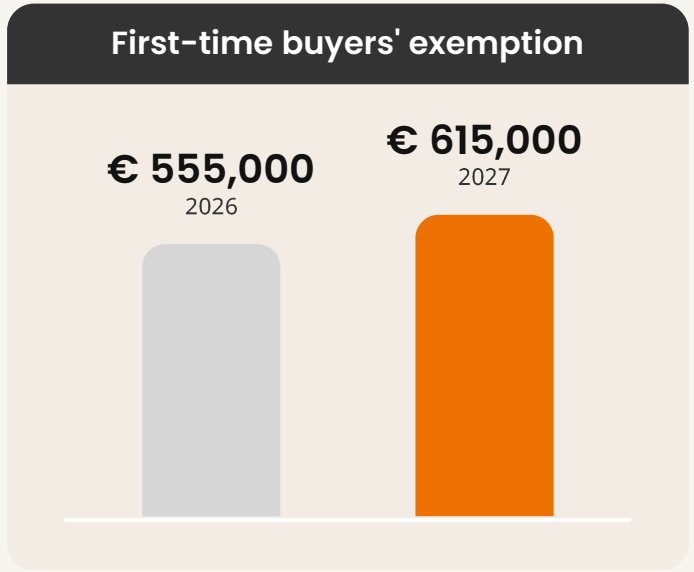
6. Real estate transfer tax (1/2)

Higher threshold first-time buyers' exemption

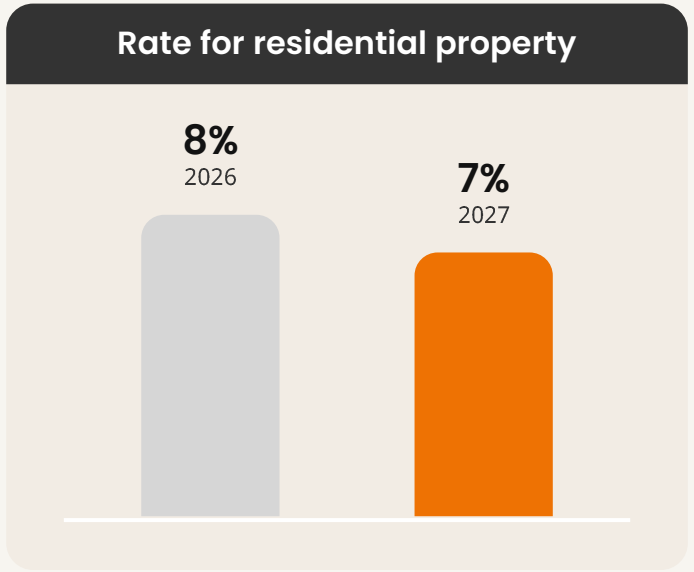
The first-time buyers' exemption from real estate transfer tax is currently available to homebuyers aged 18 to 35 who purchase a home for their own use and meet the applicable conditions. The exemption applies where the purchase price does not exceed € 555,000. As of 1 January 2027, this threshold will increase to € 615,000, allowing more first-time buyers to benefit from the exemption.

Lower rate for residential property

As of 1 January 2027, the real estate transfer tax rate for residential properties that will not be used as the purchaser's principal residence will be reduced from 8% to 7%.







6. Real estate transfer tax (2/2)

Exemption for housing associations

An exemption will be introduced that allows housing associations to transfer SGEI property (homes that fall within the social housing task) to each other without real estate transfer tax being levied.

Until 2003 there was already an exemption from real estate transfer tax, which was abolished because of its distorting effect on competition. After that, housing associations could still rely on the exemption for the transfer of duties when transferring property. In practice, however, it is not always possible to meet all the conditions.

The new exemption, which takes effect on 1 January 2027, applies if:

- both the seller and the acquirer are authorised housing associations;
- the transfer relates to SGEI property (services of general economic interest);
- a valuation report shows which part of the transaction concerns SGEI property;
- the valuation report is no older than six months, or no older than 24 months with a recent market update of no more than 3 months old.

Unlike the current exemption for the transfer of duties, not all assets and liabilities need to be transferred. The measure is intended to reduce transaction costs in the restructuring and redistribution of property between housing associations.

The existing rates continue to apply to transactions involving non-SGEI property.

TERM

SGEI (DAEB)

Services of general economic interest (in Dutch: DAEB). For housing associations this is the social housing task: social rental housing, certain community real estate and specific services for liveability. Non-SGEI is the commercial part, such as private-sector rental housing.

7. Payroll taxes (1/6)

Payroll tax rates

Wage	Rate
€ 0 - € 39,247	36.23%
€ 39,248 - € 78,426	38.16%
€ 78,427 >	49.50%

Increase of the Aof contribution

The coalition agreement provides for a 'freedom contribution' to be levied on employers. Employers will therefore pay a higher contribution to the Disability Fund (Aof) in 2027. The Aof contribution for small employers rises from 6.27% to 6.67% and for large employers from 7.63% to 8.03%.

Changes to the work-related costs scheme

Increase of the discretionary margin for tax-free reimbursements
In 2026 the discretionary margin is 2% of the taxable wage bill up to € 400,000, plus 1.18% of the taxable wage bill above € 400,000. From 2027 the 2% percentage will be structurally increased to 2.16%. This increase is intended to give SME employers more room to offer a healthy lunch, a gym membership or a working-from-home allowance. This was already included in the 2025 Tax Plan.

Higher specific exemption for travel expenses
On the basis of an approving decree, employers have already been allowed since 1 January 2026 to pay a tax-free travel allowance of up to € 0.25 (previously € 0.23) per kilometre. This is now codified in the Tax Plan.

Abolition of the exemption for staff discounts on own products
As of 2027, the exemption for staff discounts on products of the employer's own sector will be abolished. An employer can still grant staff discounts, but these discounts will then count towards the discretionary margin.

7. Payroll taxes (2/6)

30% ruling becomes 27% ruling

The expat ruling, also known as the 30% ruling, will be amended as of 1 January 2027. From that date, the expat ruling will consist of a maximum tax-free allowance of 27%. The salary threshold will rise from € 48,013 (2026 figures) to € 50,436 (expected) for regular employees and from € 36,497 to € 38,338 (expected) for employees younger than 30 years with a master's degree. The salary thresholds are indexed annually. This means that the thresholds announced in 2024 that will apply from 2027 may be higher than the amounts mentioned above. The following transitional rules apply to employees who were already using the expat ruling before 2027:

Ruling applied	In 2026	From 2027
Before 2024	30% and indexed 2024 salary threshold	30% and indexed 2024 salary threshold
In 2024	30% and indexed 2024 salary threshold	27% and indexed 2024 salary threshold
From 2025	30% and indexed 2024 salary threshold	27% and new 2027 salary threshold

Youngtimer scheme

If an employee uses a car made available to them for private purposes for more than 500 kilometres per year, an addition to taxable income must be applied. For fossil-fuel cars this addition is at least 22% of the list price if the car is no older than 16 years, and at least 35% of the fair market value (current value) if the car was first put into use more than 16 years ago. In the latter case the car is a so-called youngtimer.

In 2027 the youngtimer age limit will be raised from 16 to 17 years. Transitional rules apply to cars that were made available to an employee on 31 December 2025 and reached the age limit of 15 years in that calendar year. In that case the youngtimer scheme may be applied for the whole of calendar year 2027; otherwise only from the moment the car passes the age limit of 17 years. From 2028 the limit will be raised to 20 years.

7. Payroll taxes (3/6)

Pseudo final levy on fossil-fuel cars

From 1 January 2027, employers will owe a so-called pseudo final levy on fossil-fuel passenger cars that are made available to an employee for private use (including commuting) for the first time on or after that date. Commuting means an employee travelling to or from their home or place of residence to a fixed place of work. For the time being, a fixed place of work is defined as: (i) a location where the employer is established, (ii) a location designated by the employer, or (iii) a location where the employee regularly performs work, which is interpreted as at least forty days per calendar year at that location.

The rate of the pseudo final levy is 12%:

- of the list price of a fossil-fuel passenger car up to and including 25 years old;
- of the fair market value of a fossil-fuel passenger car older than 25 years.

The pseudo final levy must be calculated per calendar month and must be paid no later than with the return for the second payroll tax period of the following calendar year. This gives employers sufficient time after the end of the calendar year to assess whether, and if so how much, pseudo final levy is due. Employers can assess their entire fleet at the end of the year and determine the amount of the levy at that time. An employer may also pay the levy during the calendar year. The pseudo final levy is payable by the employer and may not be recovered from the employee.

The pseudo final levy is not due for the entire calendar year if the fossil-fuel passenger car is only made available for part of the year. If the car is made available for private use during part of a calendar month, it is deemed to have been made available for the entire calendar month.

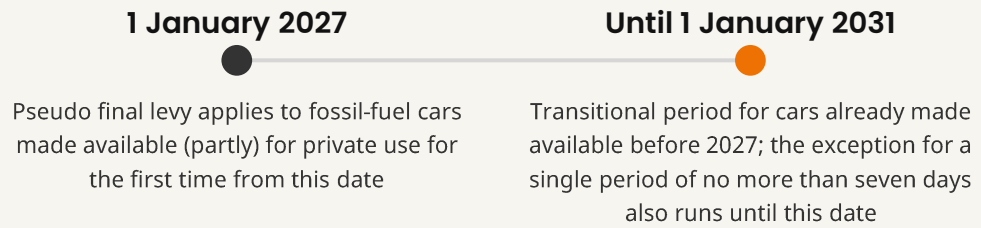
7. Payroll taxes (4/6)

Exceptions

- The pseudo final levy does not apply if, in a calendar month, a temporary replacement car is made available to an employee because of maintenance, damage, repair or a tyre change, provided this period does not exceed fourteen days.
- The pseudo final levy does not apply to a car that is also used for private purposes when it is made available for a single period of no more than seven consecutive days per calendar year. This exception applies until 1 January 2031.
- If an employer made a fossil-fuel passenger car available to one or more employees for private use before 2027, a transitional period applies until 1 January 2031. The pseudo final levy does not apply during that period.
- Manual-transmission driving school cars are not subject to the pseudo final levy.

Anti-cumulation provision

It is proposed to include an anti-cumulation provision in the law to prevent a benefit granted by an employer to an employee from being subject to both the pseudo final levy on excessive severance payments and the pseudo final levy on fossil-fuel passenger cars. In that case, the pseudo final levy on excessive severance payments is calculated without taking that benefit into account.



7. Payroll taxes (5/6)

Changes to hirer's liability

To combat abuses in the temporary employment sector more effectively, the way hirers are held liable under the tax hirer's liability rules is being simplified. Under the proposed simplification, the Tax Administration's collector no longer has to investigate the exact amount of the liability debt. Two presumptions are introduced for this purpose:

1. **Presumption regarding the amount of the liability debt**
   The Tax Administration's collector may hold the hirer liable for 35% of the invoice amount without further investigation. If the hirer has already paid that amount into the G account of the labour provider or intermediary, this presumption does not apply. If a lower percentage than 35% has been paid, the liability may also be set at a lower amount. The hirer may always provide evidence to the contrary, i.e. demonstrating that the actual liability debt is lower.
2. **Presumption regarding the status of the labour provider**
   If a business is registered in the public register of the Netherlands Labour Market Authority (Nederlandse Autoriteit Uitleenmarkt, NAU), it is regarded as a labour provider within the meaning of the tax hirer's liability rules.

In addition, there will be an extra incentive to use the G account: hirers who hire workers from an admitted labour provider or intermediary and pay 35% of the invoice amount into the G account qualify for a policy-based indemnification from liability.

The introduction of these changes is linked to the introduction of the bill for the Act on the admission of labour providers (Wet toelating terbeschikkingstelling van arbeidskrachten, Wtta). This bill enters into force on 1 January 2027. Want to read more? The Wtta: what does the new act mean for you as an employer?

Freeze of the maximum pensionable salary

For payroll tax purposes, a maximum pensionable salary of € 137,800 may be taken into account. Tax-facilitated pension can be accrued up to that amount. From 2027 this cap will not be indexed for six years and is thus frozen at € 137,800.

7. Payroll taxes (6/6)

Employee participation in start-ups and scale-ups

Start-ups and scale-ups often lack the financial means to offer employees an (internationally) competitive salary. Share options, internationally the most widely used form of participation in the start-up sector, make it easier to persuade talent wishing to work at a start-up or scale-up to accept a lower salary in exchange for a share in the potential growth. Acquiring shares also ties employees more closely to the company and makes them less likely to leave. This potentially makes share options a suitable instrument for these companies to attract and retain talent.

A start-up or scale-up is a business with a scalable and repeatable business model that stems from innovation. Both concepts are defined in the law. On application, the Dutch Enterprise Agency (RVO) assesses whether a business is a start-up or scale-up, using indicators such as use of the WBSO R&D scheme, the innovation credit or venture capital raised. Foreign businesses can also be recognised as start-ups or scale-ups. The ruling is valid for eight years and can be extended by five years up to three times.

The bill on tax incentives for start-ups and scale-ups contains two measures:

1. **Narrowing of the tax base to 65%**
   Only 65% of the wage benefit from option rights to acquire shares in start-ups or scale-ups will be taxed, instead of 100% at present. The effective rate is therefore roughly equal to the box 2 rate. The narrowing of the tax base does not apply where a share option right is sold.
2. **Deferral of the moment of taxation**
   Tax is in principle levied when the shares are actually sold, rather than when they become tradable. This solves the liquidity problem under current legislation.

The measures apply only to share options granted on or after 17 April 2025 that have not yet left the wage sphere.

Special rules apply in four situations: termination of employment, expiry of the RVO ruling or an IPO, emigration, and lucrative interests.

In a follow-up article we will look at the ins and outs of these rules in more detail. Keep an eye on our website.

8. Environmental taxes

Tax on tap water

For the tax on tap water, a cap of 50,000 m^3 of water per connection currently applies. As of 1 January 2027 this ceiling will be abolished entirely. As a result, every user will be taxed on the basis of actual consumption.

The tax on tap water will increase by € 0.10 per m^3 as of 1 January 2027. The rate will thereby rise from € 0.437 (2026) to € 0.537 per m^3. The measure applies to tap water of drinking-water quality. The rate is also indexed annually.

As of 1 January 2027, the tax base will also be narrowed to water of drinking-water quality, combined with the abolition of the existing exemption for fewer than 1,000 connections.

RATE 2026	RATE 2027
€ 0.437	› € 0.537
per m^3 of tap water	per m^3 of tap water (+ € 0.10)

CAP NOW	FROM 1 JANUARY 2027
50,000 m^3	› Abolished
per connection	tax on actual consumption

9. Other developments

In addition to the measures in the Tax Plan, work is under way on a number of further tax proposals, including in the Tax Miscellaneous Provisions Act 2028. These proposals are still being developed but may become relevant in practice in due course. We have briefly outlined the main developments below.

Corporate income tax

- Further amendments to the regime for tax-neutral reorganisations
- Renewal of the definition of 'mutual fund' (fonds voor gemene rekening) and introduction of an opt-out scheme for such funds
- Extension of the substantial shareholder rules to reverse hybrid entities established outside the Netherlands

Real estate transfer tax

- Notification obligation for the disposal of shares in a real estate entity
- Abolition of the exemption for residential investment funds

Environmental taxes

- Merging the first energy tax brackets
- Improved rate adjustment of the energy tax on electricity
- Simplified implementation of the energy tax reduction

Gift and inheritance tax

- Tackling 'paper' gifts
- Tackling loans on non-arm's-length terms
- Modernisation of the fixed factors based on interest and life expectancy
- Extension of the gift tax return deadline to 1 May

Personal income tax

- Abolition of the efficiency margin in the business succession scheme
- Amendment of the transitional rules for the roll-over facility on conversion of a limited partnership
- Amendment of the so-called excessive borrowing rules (concerning debt with a company in which the taxpayer holds a substantial interest) for international situations

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