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Tax & Legal

Budget Day was here again. The government submitted the Tax Plan with the tax measures for 2027 to the Lower House of Parliament. Here you will find an overview of the measures included in the Tax Plan.

For more information about the 2027 Tax Plan, visit www.meijburg.com

Main features of the 2027 Tax Plan

1. Corporate Income Tax

- As of 2027, the participation exemption will no longer apply to priced in currency results on hedging instruments related to participations.
- As of 2027, the presumption of non arm's length dealing in the business merger and demerger facilities will lapse in cases of a sale within three years.
- The maximum lump-sum regime for the innovation box will be increased to €100,000 as of January 1, 2027.
- The education and research exemption in the corporate income tax will be clarified.
- Housing corporations will be excluded from the earnings stripping rule as of 2028.

2. Minimum Tax

- The Netherlands will incorporate the OECD Side by Side package in full into the Minimum Tax Act 2024.

3. Personal and Corporate Income Tax

- The forestry exemption will be abolished as of January 1, 2029.
- The deduction percentage for the Energy Investment Deduction (EIA) will be increased to 45.5%.

4. Personal Income Tax

- The tax free benefit from a substantial interest upon acquisition through inheritance will not apply in the case of deemed regular benefit arising from excessive borrowing.
- Determination of the acquisition price of a substantial interest upon transfer of the place of effective management to the Netherlands.
- The deduction for specific medical expenses will be eliminated.
- Phased abolition of the start-up deduction (2027–2028), abolition of the start-up deduction for the disabled (2029), and abolition of arbitrary depreciation for start-ups (2028).

5. Wage Taxes and Social Security Contributions

- The specific exemption for discounts on sector specific products will lapse.
- Stock options for qualifying start ups and scale ups: taxation shifts to the time of share sale and 35% of the benefit will be tax free.
- The untaxed travel allowance will be increased to €0.25 per kilometer as of January 1, 2026.
- Pseudo final levy of 12% for fossil fuel cars: bottlenecks will be addressed.
- "Youngtimer" regime: age threshold will be gradually lowered to 20 years instead of 25 years.
- No indexation of the maximum pensionable salary through 2032.
- Fixed hourly wage for the R&D remittance reduction (S&O) will be increased to €33.

Main features of the 2027 Tax Plan (continued)

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6. VAT

- The reduced VAT rate for floricultural products and ballooning will lapse as of 2028.

7. Dividend Withholding Tax

- Refund scheme for dividend withholding tax for Dutch investors in foreign investment institutions.

8. Procedural Law Changes

- A statutory information obligation for administrative bodies, which will take effect as of 2027, will not apply through 2028 to electronic communications from the Tax and Customs Administration.
- Various provisions in the Electronic Administrative Communication Modernization Act, which took effect as of January 1, 2026, will (temporarily) not apply to the Benefits Office (*Dienst Toeslagen*).

9. Real Estate Transfer Tax

- Real estate transfer tax for residential properties that are not a principal residence will be reduced from 8% to 7% as of 2027.
- New exemption for the acquisition of real estate in mutual transactions between housing corporations.

10. Taxes and the Environment

- Extension of the fuel excise tax reduction.
- Temporary reduction of the truck toll.
- Differentiation of the flight tax.
- Further implementation of the Carbon Border Adjustment Mechanism (CBAM).
- Abolition of the excise tax refund scheme for biofuels and renewable fuels.
- Increase in the tax on tap water.
- Adjustments to the waste disposal tax and the industrial CO2 levy for waste incineration plants.

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