

Netherlands

Table NL.1: Tax Revenue

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | Ranking 2019 | Revenue 2019 (billion euros) |
|---|------|------|------|------|------|------|------|------|------|------|------|------|------|-----------------|---------------------------------------|
| A. Structure by type of tax | | | | | | | | | | | | | | | |
| as % of GDP | | | | | | | | | | | | | | | |
| Indirect taxes | 11.8 | 11.7 | 11.4 | 11.4 | 11.1 | 10.9 | 11.2 | 11.6 | 11.5 | 12.0 | 12.0 | 12.1 | 12.5 | 18 | 100.9 |
| VAT | 6.8 | 6.7 | 6.6 | 6.5 | 6.4 | 6.4 | 6.4 | 6.4 | 6.5 | 6.8 | 6.8 | 6.8 | 7.2 | 19 | 58.1 |
| Taxes and duties on imports excluding VAT | 1.5 | 1.5 | 1.3 | 1.5 | 1.4 | 1.3 | 1.4 | 1.4 | 1.4 | 1.5 | 1.6 | 1.6 | 1.6 | 5 | 12.7 |
| Taxes on products, except VAT and import duties | 2.6 | 2.6 | 2.5 | 2.2 | 2.2 | 2.0 | 2.1 | 2.2 | 2.3 | 2.2 | 2.2 | 2.3 | 2.3 | 21 | 18.5 |
| Other taxes on production | 0.9 | 0.9 | 1.0 | 1.1 | 1.1 | 1.2 | 1.3 | 1.6 | 1.4 | 1.4 | 1.4 | 1.5 | 1.4 | 15 | 11.5 |
| Direct taxes | 11.3 | 11.0 | 11.1 | 11.2 | 10.7 | 10.2 | 10.2 | 10.8 | 11.5 | 11.8 | 12.9 | 12.7 | 13.4 | 11 | 108.5 |
| Personal income taxes | 6.7 | 6.5 | 7.7 | 7.6 | 7.3 | 6.8 | 6.7 | 6.9 | 7.4 | 7.1 | 8.3 | 7.9 | 8.5 | 10 | 68.7 |
| Corporate income taxes | 3.4 | 3.3 | 2.1 | 2.3 | 2.2 | 2.1 | 2.1 | 2.5 | 2.7 | 3.3 | 3.3 | 3.5 | 3.7 | 5 | 30.0 |
| Other | 1.2 | 1.2 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.2 | 7 | 9.8 |
| Social contributions | 12.5 | 13.3 | 12.6 | 12.9 | 13.6 | 14.5 | 14.7 | 14.6 | 13.9 | 14.7 | 13.8 | 14.0 | 13.5 | 7 | 109.3 |
| Employers' | 4.2 | 4.4 | 4.5 | 4.6 | 4.7 | 5.0 | 4.8 | 5.2 | 5.0 | 5.2 | 5.1 | 5.3 | 5.4 | 18 | 43.7 |
| Households' | 8.3 | 8.9 | 8.1 | 8.4 | 8.9 | 9.5 | 9.9 | 9.4 | 8.9 | 9.5 | 8.7 | 8.7 | 8.1 | 5 | 65.6 |
| Less: capital transfers (1) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | | |
| Total | 35.5 | 35.9 | 35.1 | 35.5 | 35.5 | 35.6 | 36.1 | 37.0 | 36.9 | 38.4 | 38.7 | 38.8 | 39.3 | 10 | 318.7 |
| B. Structure by level of government | | | | | | | | | | | | | | | |
| as % of total taxation | | | | | | | | | | | | | | | |
| Central government | 60.8 | 58.9 | 59.6 | 59.1 | 57.0 | 54.6 | 54.6 | 55.7 | 57.3 | 57.0 | 59.7 | 59.4 | 61.3 | 15 | 195.3 |
| State government (2) | : | : | : | : | : | : | : | : | : | : | : | : | : | | |
| Local government | 3.3 | 3.3 | 3.6 | 3.6 | 3.7 | 3.8 | 3.8 | 3.8 | 3.8 | 3.6 | 3.6 | 3.5 | 3.3 | 17 | 10.5 |
| Social security funds | 35.0 | 36.9 | 35.9 | 36.4 | 38.3 | 40.8 | 40.8 | 39.5 | 37.7 | 38.2 | 35.7 | 36.0 | 34.3 | 9 | 109.3 |
| EU institutions | 0.9 | 0.9 | 0.8 | 0.9 | 0.9 | 0.9 | 0.8 | 1.0 | 1.2 | 1.1 | 1.1 | 1.1 | 1.1 | 2 | 3.6 |
| C. Structure by economic function | | | | | | | | | | | | | | | |
| as % of GDP | | | | | | | | | | | | | | | |
| Consumption | 11.1 | 11.1 | 11.1 | 11.0 | 10.9 | 10.7 | 10.9 | 11.0 | 11.1 | 11.4 | 11.3 | 11.4 | 11.8 | 14 | 95.7 |
| Labour | 18.1 | 18.6 | 19.5 | 19.5 | 20.0 | 20.4 | 20.4 | 20.0 | 20.0 | 20.2 | 20.1 | 19.8 | 19.6 | 9 | 158.7 |
| of which on income from employment | 14.7 | 15.2 | 15.7 | 15.5 | 15.8 | 16.0 | 15.9 | 15.7 | 15.6 | 15.7 | 15.5 | 15.6 | 15.6 | 16 | 126.3 |
| Paid by employers | 4.3 | 4.5 | 4.6 | 4.7 | 4.8 | 5.1 | 4.9 | 5.4 | 5.1 | 5.2 | 5.2 | 5.3 | 5.5 | 19 | 44.2 |
| Paid by employees | 10.5 | 10.7 | 11.1 | 10.8 | 11.0 | 10.9 | 10.9 | 10.3 | 10.5 | 10.5 | 10.3 | 10.3 | 10.1 | 11 | 82.0 |
| Paid by non-employed | 3.4 | 3.5 | 3.8 | 3.9 | 4.2 | 4.4 | 4.6 | 4.3 | 4.3 | 4.5 | 4.6 | 4.2 | 4.0 | 2 | 32.5 |
| Capital | 6.3 | 6.2 | 4.6 | 5.0 | 4.6 | 4.5 | 4.7 | 6.0 | 5.9 | 6.8 | 7.3 | 7.6 | 7.9 | 10 | 64.2 |
| Income of corporations | 3.4 | 3.3 | 2.1 | 2.3 | 2.2 | 2.1 | 2.1 | 2.5 | 2.7 | 3.3 | 3.3 | 3.5 | 3.7 | 5 | 30.0 |
| Income of households | -1.1 | -1.1 | -1.2 | -1.1 | -1.1 | -1.0 | -1.0 | -0.8 | -0.7 | -0.6 | -0.5 | -0.4 | -0.3 | 27 | -2.7 |
| Income of self-employed | 2.2 | 2.3 | 2.2 | 2.3 | 2.2 | 2.0 | 2.2 | 2.5 | 2.2 | 2.2 | 2.6 | 2.6 | 2.8 | 4 | 22.6 |
| Stock of capital | 1.8 | 1.7 | 1.5 | 1.5 | 1.4 | 1.3 | 1.4 | 1.8 | 1.6 | 1.8 | 1.8 | 1.9 | 1.8 | 10 | 14.3 |

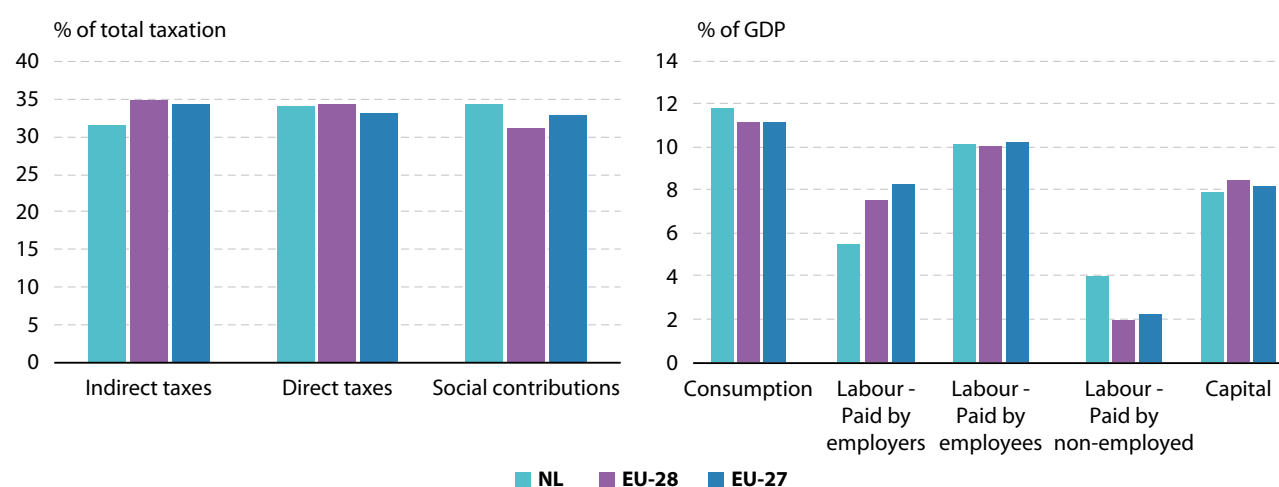
Table NL.1: Tax Revenue (continued)

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | Ranking 2019 | Revenue 2019 (billion euros) |
|---|--------------------|------|------|------|------|------|------|------|------|------|------|------|------|--------------|------------------------------|
| D. Environmental taxes | as % of GDP | | | | | | | | | | | | | | |
| Environmental taxes | 3.4 | 3.4 | 3.5 | 3.5 | 3.4 | 3.2 | 3.3 | 3.3 | 3.3 | 3.4 | 3.3 | 3.3 | 3.4 | 3 | 27.4 |
| Energy | 1.7 | 1.8 | 1.9 | 1.9 | 1.8 | 1.8 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 12 | 15.8 |
| of which transport fuel taxes | 1.2 | 1.1 | 1.2 | 1.2 | 1.2 | 1.2 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.0 | 23 | |
| Transport | 1.2 | 1.2 | 1.1 | 1.1 | 1.1 | 1.0 | 0.9 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 3 | 8.2 |
| Pollution and resources | 0.46 | 0.47 | 0.48 | 0.49 | 0.49 | 0.47 | 0.43 | 0.45 | 0.45 | 0.46 | 0.44 | 0.43 | 0.43 | 1 | 3.4 |
| E. Property taxes | as % of GDP | | | | | | | | | | | | | | |
| Taxes on property | 1.6 | 1.5 | 1.3 | 1.3 | 1.1 | 1.1 | 1.2 | 1.6 | 1.5 | 1.6 | 1.7 | 1.7 | 1.6 | 10 | 13.0 |
| Recurrent taxes on immovable property | 0.5 | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 | 0.7 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.8 | 8 | 6.7 |
| Other taxes on property | 1.1 | 1.0 | 0.7 | 0.7 | 0.5 | 0.5 | 0.5 | 0.7 | 0.6 | 0.8 | 0.8 | 0.8 | 0.8 | 10 | 6.3 |
| F. Implicit tax rates | % | | | | | | | | | | | | | | |
| Consumption | 18.2 | 18.4 | 17.8 | 17.8 | 17.6 | 17.3 | 17.6 | 17.8 | 18.1 | 18.8 | 18.9 | 19.0 | 19.7 | 11 | |
| Labour | 31.4 | 31.9 | 31.4 | 31.8 | 32.1 | 32.2 | 32.2 | 32.0 | 32.6 | 32.7 | 32.3 | 32.6 | 32.5 | 18 | |
| G. Payable tax credits | as % of GDP | | | | | | | | | | | | | | |
| Total payable tax credits | : | : | : | : | : | : | : | : | : | : | : | : | : | : | |
| Tax expenditure component | : | : | : | : | : | : | : | : | : | : | : | : | : | : | |
| Transfer component | : | : | : | : | : | : | : | : | : | : | : | : | : | : | |
| Total tax revenue adjusted for payable tax credits | : | : | : | : | : | : | : | : | : | : | : | : | : | : | |

(¹) Representing taxes assessed but unlikely to be collected.

(²) This level refers to the *Länder* in Austria and Germany, the *gewesten and gemeenschappen / régions et communautés* in Belgium, and the *comunidades autónomas* in Spain.

Source: European Commission, DG Taxation and Customs Union, based on Eurostat data

Figure NL.1: Tax revenues by main taxes, 2019
(in % of total taxation (left graph) and in % of GDP (right graph))

Source: European Commission, DG Taxation and Customs Union, based on Eurostat data

Table NL.2: Latest tax reforms

| Description of measure | Change | Date |
|--|------------------------------|--|
| Personal income tax: Earned income | | |
| Decrease of the tax rate with 0.03 percentage point in 2022 and 0.02 percentage point in 2023 and 2024 for the first bracket of the income tax | Rate decrease | Announcement: 15-09-2020 Legislation: 15-12-2020 In force from: 01-01-2021 |
| Increase of the general tax credit | Rate decrease | Announcement: 15-09-2020 Legislation: 15-12-2020 In force from: 01-01-2021 |
| Decrease of the employed person's tax credit | Rate increase | Announcement: 15-09-2020 Legislation: 15-12-2020 In force from: 01-01-2021 |
| Increase of employed persons tax credit in 2021, this increase was already established for the years after 2022 | Rate decrease | Announcement: 15-09-2020 Legislation: 15-12-2020 In force from: 01-01-2021 |
| Decrease of the tax credit for combining work and childcare | Rate increase | Announcement: 15-09-2020 Legislation: 15-12-2020 In force from: 01-01-2021 |
| Increase of the old age tax credit | Rate decrease | Announcement: 15-09-2020 Legislation: 15-12-2020 In force from: 01-01-2021 |
| The exemption for study and training costs is broadened to also include compensation for study of training cost to laid-off employees as part of a social plan. | Base increase | Announcement: 15-09-2020 Legislation: 15-12-2020 In force from: 01-01-2021 |
| Home owners are still allowed mortgage interest deduction, even when they make use of a payment break on their mortgage. | Neutral | Announcement: 14-04-20 Legislation: 14-04-20 In force from: 12-03-2020 |
| Offer major shareholders the possibility to lower their taxable income if their companies experienced a decrease in revenue caused by corona. | Base decrease | Announcement: 14-04-20 Legislation: 14-04-20 In force from: 01-01-2020 |
| Personal income tax: Unincorporated businesses/Self employment income | | |
| Decrease of the private business ownership deduction | Rate increase | Announcement: 15-09-2020 Legislation: 15-12-2020 In force from: 01-01-2021 |
| The tax exempted amount that major shareholder can borrow from their own companies is limited to EUR 500 000. Above this amount they will pay 26.9 percent PIT. | Base increase | Announcement: 18-09-2018 Legislation: 17-06-2020 In force from: 01-01-2023 |
| Personal income tax: Savings | | |
| Increase of the tax rate to 31% in combination with an increase of the tax free threshold to EUR 50 000 (currently EUR 30 846). | Rate increase; base decrease | Announcement: 15-09-2020 Legislation: 15-12-2020 In force from: 01-01-2021 |
| Social security contributions: Employer | | |
| The tax exemption for costs associated with work is increased to accommodate the increasing number of teleworkers caused by corona in 2020. This is covered by limiting the exemption in later years. | Base increase | Announcement: 15-09-2020 Legislation: 15-12-2020 In force from: 01-01-2021 |
| To stimulate investment of companies during the corona crisis, a temporarily new investment related tax credit is introduced for 2020 and 2021. To qualify for the tax credit the company should pay CIT or PIT and invests at least EUR 200 000 in new business assets, which are taken in productivity within six months. The tax credit is 3.9% for investments below 5 million and 1.8% for investments of 5 million and more. | New tax | Announcement: 21-10-2020 Legislation: 21-10-2020 In force from: 01-01-2021 |
| Corporate income tax | | |
| To limit the deductibility of liquidation losses, new restrictive conditions are introduced for the deductibility of liquidation and cessation losses for financial years starting on or after 1 January 2021. | Base increase | Announcement: 15-09-2020 |
| From 2022, the loss relief in corporate income tax will be capped at 50% of the taxable profit, with an amount of up to EUR 1 million being still deductible. On the other hand, losses will be deductible indefinitely in time. | Neutral | Announcement: 21-10-2020 Legislation: 21-10-2020 In force from: 01-01-2021 |
| Further limitation of interest deductibles by banks and insurance companies by raising the rate of the minimal capital rule from 8% to 9%, to cover the cost of a court ruling that changed the relevant debt definition. | Rate increase | Announcement: 15-09-2020 Legislation: 15-12-2020 In force from: 01-01-2021 |
| Increase the rate of the Dutch innovation box from 7% to 9%. | Rate increase | Announcement: 15-09-2020 Legislation: 15-12-2020 In force from: 01-01-2021 |

Table NL.2: Latest tax reforms (continued)

| Description of measure | Change | Date |
|---|------------------------------|--|
| The intended decrease of the higher CIT rate from 25% to 21.7% is reversed, in combination with increasing the higher tax bracket to EUR 245 000 in 2021 and EUR 395 000 in 2022 (currently EUR 200 000). | Rate increase; base decrease | Announcement: 15-09-2020 Legislation: 15-12-2020 In force from: 01-01-2021 |
| Further limitation of interest deductables as part of the implementation of ATAD1. | N/A | Announcement: 15-09-2020 Legislation: 15-12-2020 In force from: 01-01-2021 |
| The introduction of the corona tax reserve measure offers companies the possibility to deduct their expected corona related loss in 2020 from their profits in 2019. The goal of this measure is to offers companies liquidity support. | N/A | Announcement: 24-04-20 Legislation: 15-12-2020 In force from: 24-04-20 |
| Other corporate taxes | | |
| Incidental increase of the two banking tax rates to cover the cost of a court ruling changing the debt definition of the minimal capital rule. | Rate increase | Announcement: 15-09-2020 Legislation: 15-12-2020 In force from: 01-01-2021 |
| Value-added tax | | |
| The VAT on outsourcing medical personal and medical supplies was waved, while the VAT rate for face masks and Covid tests and vaccines was lowered. | Rate decrease | Announcement: 12-03-2020 Legislation: 12-03-2020 In force from: 12-03-2020 |
| From 2021 the VAT exemption on imported goods below EUR 22 from a non-Eucountry to an EU-country is abolished. | Base increase | Announcement: 14-07-2020 Legislation: 14-07-2020 In force from: 01-01-2021 |
| Environmentally-related taxes | | |
| Introduction of more strict CO2 requirements for motor vehicles and an increased tax rate. | Rate increase | Announcement: 15-09-2020 Legislation: 15-12-2020 In force from: 01-01-2021 |
| Transaction taxes (movable and immovable property) | | |
| A decrease of 0.036% of the property tax rate for social housing corporations. | Rate decrease | Announcement: 15-09-2020 Legislation: 15-12-2020 In force from: 01-01-2021 |
| Introducing an exemption for first time home buyers under 35 in the transfer tax, while restricting the lower rate of 2% by introducing a main residence criterium and increasing the non-residential real estate rate from 7% to 8%. | N/A | Announcement: 15-09-2020 Legislation: 15-12-2020 In force from: 01-01-2021 |
| Other taxes | | |
| Employers can request a special tax deferral for most taxes for the year 2020 to support liquidity. Because the deferred tax will be paid later in time, the overall budgetary effect is 0. | N/A | Announcement: 12-03-2020 Legislation: 12-03-2020 In force from: 12-03-2020 |
| Tax and recovery interest rate is lowered. | Rate decrease | Announcement: 12-03-2020 Legislation: 12-03-2020 In force from: 01-01-2020 |
| As part of the pension agreement some fiscal changes are made in the second and third pension pillar. From 1 january 2022 it is possible to pay-out an incidental deposit of 10 percent from your pension savings. From 1 january 2021 the rules around early retirement and fiscal friendly pension savings are changed. | N/A | Announcement: 03-09-2020 Legislation: 03-09-2020 In force from: 01-01-2022 |