

NETHERLANDS

As per 1 January 2020

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EXPATRIATE AND EMPLOYER TAX COMPLIANCE AND ADVISORY**Personal Income Tax Rates – Employment Income**

Tax rate Progressive tax rate: 0% – 51.95%

Tax period Calendar year

Tax residency / Domicile according to domestic law Dutch residency is determined on the basis of facts and circumstances. The existence of a long-term relationship of a personal nature with the Netherlands is regarded as a very important factor. Dutch case law shows that the following circumstances are, amongst others, relevant in this regard:

- the place where he has his home;
- the place where his family (partner) resides;
- the duration of his stay in the Netherlands;
- other personal ties with the Netherlands, such as (club) memberships, bank accounts, etc.
- etc.

Tax registration Yes, a registration in order to receive a Dutch tax number (“BSN”)

Employment income definition Any remuneration and benefit in cash or in kind received by an employee for services rendered under an employment agreement (e.g. school fee reimbursements, benefits in kind, cost of living allowances, home leave reimbursements, housing allowances, company car, etc.).

Examples of tax exemption A tax free travel allowance, mobile phones, relocation allowance, extraterritorial costs, etc.

Specific expatriate concession The 30% ruling is a special Dutch tax facility for employees who are hired or seconded from abroad and who have specific expertise that is scarcely available on the Dutch labor market. The 30% ruling grants the employee a tax free allowance of 30% of his taxable salary to compensate “extraterritorial costs”. These are the additional costs relating to their stay or employment outside their country of origin.

Income of board members The income of a board member will be taxed in the same way as regular employees

Tax returns Each taxable person has to file the personal income return.
In principle, the return must be filed no later than the 1st of May of the following year.

Tax payments The employer has the obligation to withhold the Dutch wage tax on the salary of the employee via the Dutch payroll (on a monthly basis). The withheld wage tax will be settled with the Dutch income tax due on the basis of the annual personal income tax return.

Tax on real estate property

TAX TREATIES

Employment income / income from board members Art 15/16 Model OECD Tax treaties

INTERNATIONAL SOCIAL SECURITY

Cross border employments EU Regulation No 883/2004 and EU regulation No. 1408 / 71 and several social security treaties

Exception under Art 16 of Reg. 883/2004 Generally applicable.

and Art 17 of Reg. 1408/71

Social Security Cost as % from gross salary and absolute amounts

The social security contributions are capped in the Netherlands. The employee's contributions are in total approximately EUR 9,400, (27.65% of EUR 33,994). The employers' contributions are in total approximately EUR 10,810, (19.79% of EUR 54,614).

IMMIGRATION

Work permit

Swiss, EU and EEA nationals do not need a work permit to work in the Netherlands. Nationals of another countries need a work permit in order to perform (employment) activities in the Netherlands.

Visa

Residency permits / registration certificate

Swiss, EU and EEA nationals do not need a residence permit to reside in the Netherlands. Nationals of another countries need a residence permit in order to reside in the Netherlands.

Driving license

Driving licences issued in other EU, EEA countries are recognized in the Netherlands Driver may exchange his license to grant Dutch driving license (although it is not obligatory). Driving licences issued in the other country are accepted only for 6 months after settled in the Netherlands. Under certain conditions, driver may exchange his driving licence.

STOCK OPTION PLAN

In general regular stock options are subject to taxation at the moment of exercise of the stock options.

ARTICLE 15 OF THE OECD MODEL

183 days

The days of physical presence will be accounted per calendar year, tax year of 12 month period (depends on tax treaty).

Notion of employer

Economic and formal employer.

Existence of a permanent establishment

The definition of an permanent establishment is determined in the tax treaty itself.



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