

Netherlands

Table NL.1: Tax Revenue

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Ranking 2018	Revenue 2018 (billion euros)
A. Structure by type of tax															
as % of GDP															
Indirect taxes	12.1	11.8	11.7	11.4	11.4	11.1	10.9	11.2	11.6	11.5	12.0	12.0	12.1	21	93.5
VAT	6.8	6.8	6.7	6.6	6.5	6.4	6.4	6.4	6.4	6.5	6.8	6.8	6.8	23	52.6
Taxes and duties on imports excluding VAT	1.6	1.5	1.5	1.3	1.5	1.4	1.3	1.4	1.4	1.4	1.5	1.6	1.7	4	13.1
Taxes on products, except VAT and import duties	2.7	2.6	2.6	2.5	2.2	2.2	2.0	2.1	2.2	2.3	2.2	2.2	2.2	25	16.8
Other taxes on production	0.9	0.9	0.9	1.0	1.1	1.1	1.2	1.3	1.6	1.4	1.4	1.4	1.4	15	11.1
Direct taxes	11.0	11.3	11.0	11.1	11.2	10.7	10.2	10.2	10.8	11.5	11.8	12.9	12.7	12	98.3
Personal income taxes	6.4	6.7	6.5	7.7	7.6	7.3	6.8	6.7	6.9	7.4	7.1	8.3	8.0	11	61.6
Corporate income taxes	3.4	3.4	3.3	2.1	2.3	2.2	2.1	2.1	2.5	2.7	3.3	3.3	3.5	6	27.0
Other	1.2	1.2	1.2	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	8	9.7
Social contributions	13.0	12.5	13.3	12.6	12.9	13.6	14.5	14.7	14.6	13.9	14.7	13.8	14.0	7	108.0
Employers'	4.2	4.2	4.4	4.5	4.6	4.7	5.0	4.8	5.2	5.0	5.2	5.1	5.3	18	40.7
Households'	8.7	8.3	8.9	8.1	8.4	8.9	9.5	9.9	9.4	8.9	9.5	8.7	8.7	4	67.3
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	36.0	35.5	35.9	35.1	35.5	35.5	35.6	36.1	37.0	36.9	38.4	38.7	38.7	11	299.8
B. Structure by level of government															
as % of total taxation															
Central government	59.9	60.8	58.9	59.6	59.1	57.0	54.6	54.6	55.7	57.3	57.0	59.7	59.5	15	178.3
State government⁽²⁾	:	:	:	:	:	:	:	:	:	:	:	:	:		
Local government	3.3	3.3	3.3	3.6	3.6	3.7	3.8	3.8	3.8	3.8	3.6	3.6	3.4	18	10.3
Social security funds	35.9	35.0	36.9	35.9	36.4	38.3	40.8	40.8	39.5	37.7	38.2	35.7	36.0	9	108.0
EU institutions	0.8	0.9	0.9	0.8	0.9	0.9	0.9	0.8	1.0	1.2	1.1	1.1	1.1	2	3.2
C. Structure by economic function															
as % of GDP															
Consumption	11.4	11.1	11.1	11.1	11.0	10.9	10.7	10.9	11.0	11.1	11.4	11.3	11.4	17	88.3
Labour	18.5	18.1	18.6	19.5	19.5	20.0	20.4	20.4	20.0	20.0	20.2	20.0	20.0	9	154.8
of which on income from employment	15.1	14.7	15.2	15.7	15.5	15.8	16.0	15.9	15.7	15.6	15.7	15.7	15.9	14	123.0
Paid by employers	4.3	4.3	4.5	4.6	4.7	4.8	5.1	4.9	5.4	5.1	5.2	5.2	5.3	20	41.3
Paid by employees	10.8	10.5	10.7	11.1	10.8	11.0	10.9	10.9	10.3	10.5	10.5	10.5	10.6	9	81.7
Paid by non-employed	3.4	3.4	3.5	3.8	3.9	4.2	4.4	4.6	4.3	4.3	4.5	4.3	4.1	2	31.9
Capital	6.1	6.3	6.2	4.6	5.0	4.6	4.5	4.7	6.0	5.9	6.8	7.4	7.3	13	56.7
Income of corporations	3.4	3.4	3.3	2.1	2.3	2.2	2.1	2.1	2.5	2.7	3.3	3.3	3.5	6	27.0
Income of households	-1.1	-1.1	-1.1	-1.2	-1.1	-1.1	-1.0	-1.0	-0.8	-0.7	-0.6	-0.5	-0.4	28	-3.3
Income of self-employed	2.0	2.2	2.3	2.2	2.3	2.2	2.0	2.2	2.5	2.2	2.2	2.7	2.4	4	18.8
Stock of capital	1.8	1.8	1.7	1.5	1.5	1.4	1.3	1.4	1.8	1.6	1.8	1.8	1.8	12	14.2

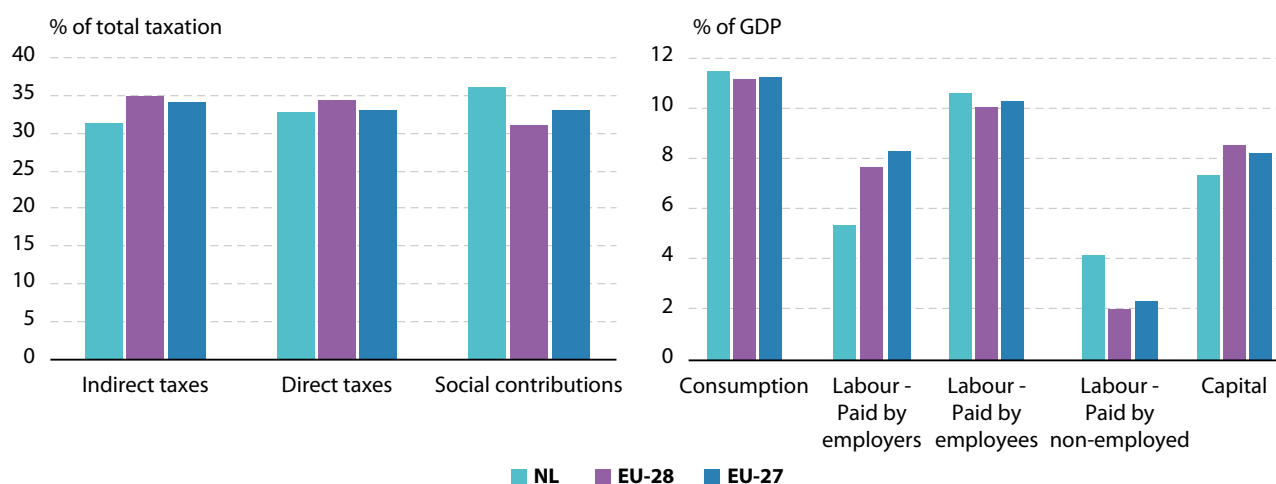
Table NL.1: Tax Revenue (continued)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Ranking 2018	Revenue 2018 (billion euros)
D. Environmental taxes as % of GDP															
Environmental taxes	3.6	3.4	3.4	3.5	3.5	3.4	3.2	3.3	3.3	3.3	3.4	3.3	3.3	6	25.8
Energy	1.9	1.7	1.8	1.9	1.9	1.8	1.8	1.9	1.9	1.9	1.9	1.9	1.9	17	14.5
of which transport fuel taxes	1.2	1.2	1.1	1.2	1.2	1.2	1.2	1.1	1.1	1.1	1.1	1.1	1.1	25	
Transport	1.2	1.2	1.2	1.1	1.1	1.1	1.0	0.9	1.0	1.0	1.0	1.0	1.0	3	8.1
Pollution and resources	0.48	0.46	0.47	0.48	0.49	0.49	0.47	0.43	0.45	0.45	0.46	0.44	0.42	1	3.3
E. Property taxes as % of GDP															
Taxes on property	1.6	1.6	1.5	1.3	1.3	1.1	1.1	1.2	1.6	1.5	1.6	1.7	1.7	11	12.9
Recurrent taxes on immovable property	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.7	0.9	0.9	0.9	0.9	0.9	9	6.8
Other taxes on property	1.1	1.1	1.0	0.7	0.7	0.5	0.5	0.5	0.7	0.6	0.8	0.8	0.8	9	6.2
F. Implicit tax rates %															
Consumption	18.5	18.2	18.4	17.8	17.8	17.6	17.3	17.6	17.8	18.1	18.8	18.8	19.0	15	
Labour	32.0	31.4	31.9	31.4	31.8	32.1	32.2	32.2	32.0	32.6	32.7	32.8	33.2	16	
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, compared to EU-28 and EU-27, 2018
(in % of total taxation (left graph) and in % of GDP (right graph))

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

Note: EU-27 represents EU Member States without UK

Table NL.2: Latest tax reforms

Description of measure	Change	Date
Personal income tax: Earned income		
The old age tax credit for elderly with an income till € 36.346 will be increased with € 160 in 2019 and an income-dependent reduction of 15% (reduction until an old age tax credit of € 0) will be introduced in 2019.	Rate decrease	Announcement: 19-09-2017 Legislation: 19-12-2017 In force from: 01-01-2019
The maximum of the (income dependent) earned income tax credit will be increased gradually over three years by EUR 285 in total	Rate decrease	Announcement: 17-09-2019 Legislation: 18-12-2019 In force from: 01-01-2020
The general tax credit will be increased gradually over two years by EUR 80 in total	Rate decrease	Announcement: 17-09-2019 Legislation: 18-12-2019 In force from: 01-01-2020
The introduction of a two-bracket system was advanced from 2021 to 2020; The basic rate was increased. In 2021 the basic rate will be 37.1% and the top rate 49.5%	Rate increase	Announcement: 17-09-2019 Legislation: 18-12-2019 In force from: 01-01-2020
Abolition of deductibility of education costs. The deductibility will be replaced by a subsidy	Base increase	Announcement: 17-09-2019 Legislation: 18-12-2019 In force from: 01-01-2021
The income dependent combination tax credit (for working spouses with children) will be zero (2018: €1.052) at the threshold income (2018: €4.934) and will increase with 11,45% (2018: 6,16%) of every euro earned above the threshold income.	Rate increase	Announcement: 10-10-2017 Legislation: 18-12-2018 In force from: 01-01-2019
Imputed income from company cars: in 2020 the rate for zero emission vehicles will be increased from 4% to 8%; in the years 2021-2026 this rate will gradually increase to the normal rate of 22% of the price of the vehicle. Moreover, the ceiling up to which the low rate applies is lowered from EUR 50 000 to EUR 40 000 in 2022	Base increase	Announcement: 17-09-2019 Legislation: 18-12-2019 In force from: 01-01-2020
The general tax credit will be increased gradually with approximately €358 in total	Rate decrease	Announcement: 10-10-2017 Legislation: 18-12-2018 In force from: 01-01-2019
The (wastable) income-dependent combination tax credit and the labour tax credit can currently be transferred to the income of the spouse. This will be phased out gradually.	Rate increase	Announcement: 19-09-2017 Legislation: 19-12-2017 In force from: 01-01-2019
The number of tax brackets will be reduced from four to two. In 2021 the rate of the first tax bracket will be 37,05% and the top tax rate will be 49,5%.	Rate decrease	Announcement: 10-10-2017 Legislation: 18-12-2018 In force from: 01-01-2019
The (income dependent) earned income tax credit will decrease with 6,0% of every euro earned above €33.112 (2018: 3,6%)	Rate increase	Announcement: 10-10-2017 Legislation: 18-12-2018 In force from: 01-01-2019
The threshold for the top tax rate (€68.507) will not be adjusted to inflation until 2021. From 2022 onwards, the planned increase of the threshold will be limited to a smaller increase.	Rate increase	Announcement: 10-10-2017 Legislation: 18-12-2018 In force from: 01-01-2019
Personal income tax: Unincorporated businesses/Self employment income		
The tax deduction for unincorporated self-employed will be gradually reduced from EUR 7 280 in 2019 to EUR 5000 in 2028	Base increase	Announcement: 17-09-2019 Legislation: 18-12-2019 In force from: 01-01-2020
Personal income tax: Savings		
The exemption on the income tax on imputed rental value for owner-occupied housing with no or little mortgage interest will be phased out in 30 years.	Base increase	Announcement: 19-09-2017 Legislation: 19-12-2017 In force from: 01-01-2019
The imputed return on savings and investment will be calculated differently: private wealth, the base of the imputed return, will be split in three components: savings, investments and debt; the imputed return on savings in year t will equal the interest rate on savings accounts from July t-2 until June t-1; the imputed rate of return on investments will be calculated on the basis of a distributed lag of actual developments of interest, stock exchange indexes and owner-occupied house prices; the imputed rate on debt will equal the mortgage interest rate in year t-1. The tax rate in box 3 will increase from 30% to 33%	Rate increase	Announcement: 06-09-2019
Corporate income tax		
The originally planned reduction of the CIT-rate is partly reversed: the high rate stays 25% in 2020 and will decrease only to 21.7% instead of 20.5% in 2021	Rate increase	Announcement: 17-09-2019 Legislation: 18-12-2019 In force from: 01-01-2020
Abolition of interest deductibility of convertible contingencies.	N/A	In force from: 01-01-2019
Abolition of a specific limitation of interest deductibles. Part of the implementation of ATAD1.	N/A	Announcement: 10-10-2017 Legislation: 18-12-2018 In force from: 01-01-2019

Table NL.2: Latest tax reforms (continued)

Description of measure	Change	Date
Buildings in own use of a company can be depreciated until the WOZ-value (Real Estate Valuation Act) is reached instead of 50% of the WOZ-value.	Base increase	Announcement: 10-10-2017 Legislation: 18-12-2018 In force from: 01-01-2019
Introduction of withholding taxes on interest and royalty flows to low-tax jurisdictions and in the event of abusive tax arrangements.	New tax	Announcement: 10-10-2017 Legislation: 18-12-2019 In force from: 1-1-2021
Stepwise decrease in the CIT rate to 20,5% (currently 25%) and 15% for the first EUR 200 000 (currently 20%).	Rate decrease	Announcement: 10-10-2017 Legislation: 18-12-2018 In force from: 01-01-2019
Thin capitalisation rule for banks and insurance companies: interest paid on corporate debt in excess of 92% of total assets is not deductible for tax purposes.	Base increase	Announcement: 10-10-2017 Legislation: 18-12-2019 In force from: 01-01-2020
Limitation of loss carry forward provisions: from 9 years to 6 years.	Base increase	Announcement: 10-10-2017 Legislation: 18-12-2018 In force from: 01-01-2019
A general interest limitation rule (earnings stripping rule) with a lower threshold of EUR 1 million and no group exemption.	Base increase	Announcement: 10-10-2017 Legislation: 18-12-2018 In force from: 01-01-2019
Value-added tax		
Increase of the reduced VAT-rate of 6% by 3 pp to 9%	Rate increase	Announcement: 10-10-2017 Legislation: 18-12-2018 In force from: 01-01-2019
Electronic publications like e-books and electronic newspapers are brought under the reduced VAT-rate	Rate decrease	Announcement: 17-09-2019 Legislation: 18-12-2019 In force from: 01-01-2020
Increase of an exemption on VAT for sports organisations and sports clubs. Implementation of the Bridport and West Dorset Golf Club Limited arrest. Although the base is decreased the measure leads to an increase of tax revenues.	Base decrease	Announcement: 19-12-2013 Legislation: 18-12-2018 In force from: 01-01-2019
Environmentally-related taxes		
The basic tax credit per connection in the energy tax will be increased from EUR 258 in 2019 to EUR 436 in 2020 and EUR 456 in 2021	Rate decrease	Announcement: 17-09-2019 Legislation: 18-12-2019 In force from: 01-01-2020
The rates of the Surcharge Sustainable Energy in the higher brackets will be increased	Rate increase	Announcement: 17-09-2019 Legislation: 18-12-2019 In force from: 01-01-2020
The energy tax rate for natural gas in the first bracket will be increased by EUR 0.04 m3 in 2020 and EUR 0.01 m3 per year from 2021 until 2026	Rate increase	Announcement: 17-09-2019 Legislation: 18-12-2019 In force from: 01-01-2020
The excise duty on diesel will be increased by EUR 0.01/l in 2021 and 2023	Rate increase	Announcement: 17-09-2019 Legislation: 18-12-2019 In force from: 01-01-2021
The exemption from vehicle tax for zero emission vehicles will be extended until (and including) 2024; in 2025 25% of the rate will apply; in 2026 the exemption will be terminated	Rate decrease	Announcement: 17-09-2019 Legislation: 18-12-2019 In force from: 01-01-2021
The exemption from registration tax for zero emission vehicles will be extended until (and including) 2024	Rate decrease	Announcement: 17-09-2019 Legislation: 18-12-2019 In force from: 01-01-2021
The energy tax rate for electricity in the first bracket will be gradually decreased by EUR 0.023 kWh in total	Rate decrease	Announcement: 17-09-2019 Legislation: 18-12-2019 In force from: 01-01-2021
The measurement of CO ₂ -emissions for tax purposes (e.g. car registration tax base) is changed from the obsolete NEDC method to the Worldwide harmonised Light vehicle Test Procedure (WLTP)	Neutral	Announcement: 17-09-2019 Legislation: 18-12-2019 In force from: 01-01-2020
The rates of the BZM (tax on heavy vehicles) are increased.	Rate increase	Announcement: 10-10-2017 Legislation: 18-12-2018 In force from: 01-01-2019
An additional CO ₂ tax for industrial ETS companies will be introduced on top of the ETS price. The goal of this tax is to lower the CO ₂ -emission within the industry with 14.3 Megatons in 2030.	New tax	Announcement: 28-06-2019 In force from: 01-01-2021
The tax on landfilling and incineration of waste will be increased and in a later stage the tax base will be broadened to waste burned in bio-energy plants and to sewage sludge	Rate increase; base increase	Announcement: 10-10-2017 Legislation: 18-12-2018 In force from: 01-01-2019

Table NL.2: Latest tax reforms (continued)

Description of measure	Change	Date
The tax credit on energy tax will be decreased	Rate increase	Announcement: 10-10-2017 Legislation: 18-12-2018 In force from: 01-01-2019
The tax rate on natural gas will be increased and the tax rate on electricity will be decreased.	Rate increase	Announcement: 10-10-2017 Legislation: 18-12-2018 In force from: 01-01-2019
Health-related taxes		
The excise duty on cigarettes and tobacco will be raised, so that the price of a pack of cigarettes increases by EUR 1 in 2020.	Rate increase	Announcement: 23-11-2018 Legislation: 18-12-2019 In force from: 01-04-2020
Transaction taxes (movable and immovable property)		
Increase of transfer tax rate from 6% to 7% for non-residential real estate	Rate increase	Announcement: 17-09-2019 Legislation: 18-12-2019 In force from: 01-01-2021
Other taxes		
Decrease the tax on renting properties with 0.03 percentage point. Tax on renting properties has to be paid if a company owns more than 50 rental properties and the monthly rent is lower than the maximum rent which entitles for a rent benefit (€720,42 in 2019).	Rate decrease	Announcement: 10-10-2017 Legislation: 18-12-2018 In force from: 01-01-2019
A new tax reduction is introduced on the tax on renting properties. This tax reduction is received when houses with low rents are newly built	Base decrease	Announcement: 17-09-2019 Legislation: 18-12-2019 In force from: 01-01-2020
A new tax reduction is introduced on the tax on renting properties. This tax reduction is received if the sustainability of a property is improved.	Base decrease	Announcement: 10-10-2017 Legislation: 18-12-2018 In force from: 01-01-2019