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Goverment presents tax measures for 2026 on Budget Day

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On Budget Day, September 16, 2025, the caretaker government (hereinafter: government) presented the 2026 Tax Plan package to the Lower House of Parliament. It consists of the following bills:

- Tax Plan 2026
- Other Tax Measures 2026
- Low VAT rate on Culture Media Sport (Retention) Act
- EU Directive on Information Exchange Minimum Tax (Implementation) Act
- Second Minimum Tax (Amendment) Act 2024
- Flight Tax Rate (Differentiation) Act
- Tax File Access (Streamlining) Act
- Amendment of the Environmental Management Act in connection with the further operationalization of the Carbon Border Adjustment Mechanism

Many of the proposed measures will enter into force on January 1, 2026. In this memorandum, we have set out the main points for you. Where possible and relevant, we have included in the individual topics other tax measures and developments related to those topics, but have indicated that these are not part of the 2026 Tax Plan package.

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1 Corporate income tax

1.1 Temporary transitional law mutual fund

With effect from January 1, 2025, the definition of the mutual fund (*fonds voor gemene rekening*, hereinafter: FGR) has been amended. Certain investment funds, in particular partnerships, which were fiscally transparent (non-independently taxable person) until 31 December 2024, ran the risk of becoming independent taxable persons as of January 1, 2025. Funds were able to prevent this by restructuring themselves into a so-called buy-back fund before January 1, 2025. Ultimately, this period was extended, subject to conditions, to January 1, 2026 (see our memorandum of November 7, 2024).

Nevertheless, in practice, bottlenecks and uncertainties remain with regard to the FGR definition that came into force on January 1, 2025. Following an internet consultation and consultation with stakeholders, the government has announced an investigation into two identified bottlenecks related to this FGR definition that will apply from 2025 (see our memorandum of June 13, 2025). The government is currently conducting this study. This research may lead to new adjustments to the FGR definition. These possible changes will take place from January 1, 2027 at the earliest.

Without further regulation, certain funds run the risk of being independently liable for tax for a relatively short period of time. That is why the government is now proposing a transitional measure, which can prevent such a short-term tax liability if the definition of the FGR changes as of 2027. Funds that meet the conditions set out in the proposed measure will – if they choose to do so – temporarily – i.e. until the moment this transitional rule expires – not be regarded as FGR with effect from January 1, 2025. These conditions are:

1. Without this proposed transitional measure, the fund would have been an independent taxpayer as of January 1, 2025 on the basis of the FGR definition revised on January 1, 2025;
2. The fund already existed on 31 December 2024 and was then non-independently taxable (transparent); and
3. If, on 31 December 2024, the fund did *not* intend to restructure into a buy-back fund, the condition is that the participants must have agreed to the fund's choice to make use of this transitional arrangement by 28 February 2026 at the latest. If, on 31 December 2024, the fund *did* intend to restructure into a buy-back fund, this condition does not apply in order to be able to make use of these transitional rules (see our memorandum of November 7, 2024 in this regard).

A fund that meets the conditions and wants to make use of the proposed transitional law (i.e. wants to be fiscally transparent) makes this choice known by not registering as an FGR with the Tax and Customs Administration and *not* filing a corporate income tax return for the year 2025. Conversely, funds that do not wish to apply the proposed transitional measure must register as FGR with the Tax and Customs Administration and file a corporate income tax return for the year 2025 as FGR.

The proposed transitional law applies in addition to the previously offered transitional law that gives funds, under certain conditions, until January 1, 2026 to restructure into a buy-back fund. This means that funds that do not meet the conditions of that previously offered transitional law can invoke the proposed transitional law discussed above.

The proposed transitional law will expire on January 1, 2028 at the latest, but possibly earlier if the change in the FGR definition takes place with effect from January 1, 2027. If the latter is the case, the transitional law may be replaced by transitional law that is more in line with the new definition of the FGR. If the FGR definition has not changed as of January 1, 2028, the funds that make use of the transitional measure discussed above will become independent taxpayers, of course only if they also meet the definition of the FGR.

1.2 Adjustment of the minimum capital rule for loans from group entities

The minimum capital rule is a specific interest deduction limitation for banks and insurers that was introduced on January 1, 2020. With effect from January 1, 2024, the minimum capital rule has been amended, making interest expense on debts to group entities deductible under certain conditions. It is important that the taxpayer makes it plausible that the group loans are not directly related to loans from non-group entities (or, in short, that the loans do not in fact originate from third parties). On the other hand, because the legal text refers to 'non-group entities', group loans that are directly related to loans from natural persons (such as deposits) would also fall outside the scope of the minimum capital rule, and would therefore in principle be deductible. This bill ensures that the taxpayer must also make it plausible that the group loans are not directly related to loans from natural persons. The measure will take effect on January 1, 2026.

1.3 Adjustment of deduction limitation for mixed costs due to concurrence with work-related costs scheme (not part of the 2026 Tax Plan package)

For entities that employ one or more employees in a year, the corporate income tax contains a deduction limitation for mixed costs (costs in which, in addition to a business interest, a private interest for the employees can also be recognized: food, attendance at conferences, representation and the like). The deduction limitation amounts to 0.4% of the total amount of the taxable salary as referred to in the Payroll Tax Act (PTA) 1964 received by the employees in question in the year or, whichever is greater, € 5,700. Up to and including 2010, tax-free allowances and tax-free benefits in kind were explicitly excluded from taxable wages. However, the introduction of the work-related costs scheme in the PTA 1964 in 2011 has led to a change in the system with regard to the wage concept, as a result of which the tax-free allowances and benefits in kind have also been brought within the scope of the wage concept. This has detracted from the administrative simplicity and practical feasibility of the deduction limitation and has led to a broadening of the basis for determining the deduction limitation. A measure in the Tax Miscellaneous Provisions Act 2026 aims to restore administrative simplicity and practical practicability by aligning the deduction limitation with the salary on which payroll tax is actually withheld from the employees concerned, for the purposes of the deduction limitation. This wage concept corresponds to one clear item in the summary wage statement (column 14), can be found in every payroll administration and is also used as a basis in the calculation of the discretionary margin under the work-related costs scheme in the PTA 1964.

1.4 Internet consultation on earnings on hedging instruments to reduce participating currency risk (2027)

An internet consultation will be held on an adjustment of the tax treatment of profits made with hedging instruments to limit the currency risk incurred with a participation. Currently, the costs of the hedging instrument are fully deductible, while the expected profit on the hedging instrument falls under the participation exemption. This is contrary to the principle that deduction is only possible if there is a tax in return. The government is therefore working on a measure to correct this imbalance. This measure will first be submitted via an internet consultation. The intended entry into force date is January 1, 2027. In the further elaboration of the measure, feasibility and the business climate will be assessed. If the elaboration shows that there is a better alternative, the measure will be reconsidered. This measure is related to a budgetary loss as a result of the Supreme Court's judgment of 21 March 2025 regarding the liquidation loss scheme for corporate income tax purposes. The loss will be compensated for, among other things, by adjusting the tax treatment of the profit on hedging instruments to take account of currency risks.

2 Minimum Tax Act 2024

From 2024, the Netherlands has a new tax, the minimum tax, which groups with a (worldwide) turnover of at least € 750 million will have to pay if the effective tax rate in a state is lower than 15%. This can involve multinational groups, but also groups that are entirely based in the Netherlands. The minimum tax is included in a separate tax law, the Minimum Tax Act 2024. This law is an elaboration of the EU Directive on minimum levels of taxation (Pillar 2 Directive). Companies that fall within the scope of the minimum tax are obliged to submit the top-up tax information return (hereinafter: information return), consisting of a set of documentation, to the relevant tax authority.

Implementation of the EU Directive on the information exchange of top-up tax information return (DAC9)

The starting point for the Pillar 2 Directive is that multinational groups operating in the European Union must file top-up tax information returns in all Member States in which group entities are established. The EU Directive 2025/872 amending Directive 2011/16/EU on administrative cooperation in the field of taxation (hereinafter: DAC9), adopted on 14 April 2025, aims to reduce the resulting administrative burden by regulating that such a group only has to file the top-up tax information return in one Member State (using the standard model included in the annex to DAC9). The Member State where the top-up tax information return is made must then ensure that the information is disseminated to the relevant other Member States on the basis of DAC9, so that an top-up tax information return does not (or no longer) have to be submitted there.

With the proposal for the Implementation of the EU Directive on the Exchange of Information on the Minimum Tax, DAC9 will be implemented in the International Assistance Act (ITC) with effect from January 1, 2026 (insofar as it has not already been implemented). It is important with regard to the proposed implementation of DAC9 that DAC9 only applies within the European Union. Insofar as a multinational group is also active outside the European Union, unless a so-called GIR MCAA has been concluded with a non-member state, this group must submit (separate) top-up tax information returns in the non-member states in which group entities are established. It is also important to note that implementation via the WIB means that the General Law on State Taxes does not apply to legal protection, but only to the General Administrative Law Act. The consequences of this are as follows. Firstly, the administrative court – and not the tax court – has jurisdiction if a dispute arises that relates to (a fine based on) the ITC. Secondly, this means that an interested party must go to the civil court – as a 'residual court' – if he wants to prevent information from being exchanged with foreign countries (because the exchange arises directly from the law and not from an appellate decision of the Tax Authorities).

Second Act amending the Minimum Tax Act 2024

As described above, the Minimum Tax Act 2024 aims to implement the EU Minimum Level of Taxation Directive, which is based on the OECD model rules adopted by the Inclusive Framework on BEPS (IF). Following the publication of these model rules, the IF published administrative guidelines in February 2023, July 2023, December 2023, June 2024 and January 2025. The OECD rules on the minimum tax do not have a direct effect on the Dutch legal order. In order to promote the consistent application of the OECD model rules on minimum taxation and to avoid discrepancies with the application of the rules vis-à-vis other states, several parts of the administrative guidelines are already enshrined in law through the [2025 Tax Plan package](#).

In a separate bill in the 2026 Tax Plan package, additional parts of the administrative guidelines published in 2023, 2024 and 2025 will be legally enshrined in the Minimum Tax Act 2024. In addition, some technical changes are proposed. This also leads to the following overview of the status of the legal anchoring of the OECD Administrative Guidelines:

Administrative guidelines	Status after the second Act amending the Minimum Tax Act 2024
February 2023	Legally enshrined
June 2023	Legally enshrined
December 2023	Legally enshrined
June 2024	Legally enshrined
January 2025	Legally enshrined

With regard to the entry into force of the proposed amendments to the Minimum Tax Act 2024, the government considers retroactive effect justified insofar as these changes are not onerous for taxpayers. For each amendment to the Minimum Tax Act 2024 highlighted below, it is therefore indicated whether there is retroactive effect.

See-through entities and hybrid entities (retroactive to December 31, 2023)

Following the June 2024 administrative guidelines, the definition of look-through entity will be updated. In addition, the allocation of net profit or loss and the allocation of the taxes relating to it shall be amended. The bill further clarifies that a look-through entity that is not an ultimate parent entity is not considered an interested party. As a result, the first underlying stakeholder is looked at, which is not a see-through entity.

Different reporting year of a non-co-consolidated group entity (no retroactive effect)

If a group entity is not consolidated and the reporting year of that group entity differs from the reporting year of the ultimate parent entity, it is arranged that the qualifying income or loss of that group entity must be determined on the basis of the financial reporting of that group entity for the financial reporting period ending in the reporting year of the ultimate parent entity. This ensures that the data required for the calculation of the effective tax rate and any top-up tax due are available for the reporting year to which the top-up tax information return relates.

Impairment for financial reporting purposes (no retroactive effect)

It is proposed to lay down in law that an impairment of the book value of assets and liabilities for financial reporting purposes does not, in principle, affect the book value of these assets and liabilities for the purposes of the Minimum Tax Act 2024. This proposal is in line with the administrative guidelines of June 2024.

If, pursuant to a provision of this Act, the carrying amount of an asset or liability deviates from the carrying amount in the financial reporting, the calculation of the deferred tax relating to that asset or liability shall be based on the former book value.

Adjusted deferred tax at deviating carrying amounts (no retroactive effect)

The starting point for the calculation of the total amount of the adjusted changes in deferred tax is the calculation of these changes in the deferred tax in the financial reporting. There may be times when qualifying income or loss or adjusted taxes involved is determined on the basis of a carrying amount that differs from the carrying amount in financial reporting. It is proposed that in such situations the deferred tax assets and liabilities should be calculated on the basis of the latter book values, which deviate from the financial reporting. This is in line with the administrative guidelines of June 2024.

Aggregate deferred tax liabilities (retroactive effect)

With regard to deferred passive tax, practice has shown that it is not easy to determine for each individual asset or liability when a deferred passive tax has been formed. It is proposed – with retroactive effect to December 31, 2023 – to create a basis for providing a methodology for deferred tax liabilities that have been aggregated for financial reporting purposes by or pursuant to a general administrative order. The elaboration of the general administrative order will be in line with the administrative guidelines of June 2024.

Deferred tax assets arise before the transition year as a result of an arrangement with a government agency or the introduction of a profit tax (no retroactive effect)

Part of the Minimum Tax Act 2024 is a scheme that aims to prevent the possibility of avoiding additional taxation by creating active deferred tax before the entry into force of the Minimum Tax Act 2024 or a comparable foreign regime. In line with the administrative guidelines of January 2025, the Tax Plan proposes a further limitation of such deferred tax as well as a limitation for some deferred tax liabilities.

It is proposed, among other things, not to take into account deferred tax assets that arise before the transition year as a result of (a) a certain arrangement with a public authority that provides for a special entitlement to a tax credit or a tax advantage and (b) arise from a difference between the tax book values and the book values in the financial reporting to the extent that the tax book values were determined at the time of the introduction of a tax on profit, such as a corporate income tax, which tax was introduced in the period between November 30, 2021 and the transition year. The underlying idea is to prevent the use of such deferred tax assets from leading to an effective tax rate that is too low in the years following the transition year.

Deferred tax and Qualifying Country -by-Country Reporting Safe Harbour rule (no retroactive effect))

Based on the temporary Qualifying Country-by-Country Reporting Safe Harbour rule, the top-up tax for state-based group entities for a reporting year beginning on or before 31 December 2026 and ending before 1 July 2028 is nil if one of three tests is met. One of these tests is the (simplified) effective rate test. With regard to this test, it is proposed to increase the number of deferred tax assets that are not included in the determination of the simplified taxes concerned.

Exception for certain intra-group transactions for the Qualifying Country -by-Country Reporting Safe Harbour rule (no retroactive effect)

The starting point for the application of the temporary Qualifying Country -by-Country Reporting Safe Harbour rule is that, in principle, no corrections may be made to a qualifying country report. It is proposed to make an exception to this in respect of intra-group transactions where a provision of money is taken into account as own funds under the tax regulations of the state of the group entity from which the provision originates. This proposed exception is in line with the administrative guidelines of 31 December 2023.

The turnover threshold in the event of a merger between two or more groups (no retroactive effect)

Based on the current Minimum Tax Act, a specific regulation for the turnover threshold does not apply in the year of a merger within the meaning of the Minimum Tax Act 2024. It is proposed that this regulation should also apply in the year of the merger itself.

3 Personal and corporate income tax

3.1 Aggregation provision for maximum investment amount energy investment deduction

The energy investment allowance (EIA) is a scheme that aims to stimulate investments in designated energy-saving business assets. The EIA has the character of a one-off additional deduction on the profit of 40% of the investment amount. The maximum amount of energy investments that can be taken into account for the application of the EIA is regulated by law. A distinction is made between taxpayers who (a) run a business and (b) run a business that is part of a partnership. In situation (a), the maximum amount of energy investments taken into account for the EIA is € 151 million (2025 amount) and in situation (b) this maximum is determined by attributing € 151 million pro rata to the participants in the partnership. In practice, there are cases in which a taxpayer makes energy investments in his own business and makes energy investments in a business that is part of a partnership. Since there is no statutory aggregation provision, the EIA can be applied in those cases to more than € 151 million in energy investments. The proposed measure aims to prevent this unintended consequence by providing for an aggregation provision. The proposed measure allows a total of a maximum of € 151 million in energy investments per taxpayer per year to be taken into account for the application of the EIA. This 'aggregation ceiling' consists of energy investments in one's own business and energy investments in a business that is part of a partnership.

4 Personal income tax

4.1 Rates box 1

For income from work and home in box 1, the rates for 2026 are as follows:

	2026
1st bracket (up to € 38,883)	35.70% (AOW: 17.80%)
2nd bracket (up to € 79,137)	37,56%
3rd bracket above € 79,137	49,50%

For comparison 2025:

	2025
1st bracket (up to € 38,441)	35.82% (AOW: 17.92%)
2nd bracket (up to € 76,817)	37,48%
3rd bracket above € 76,817	49,50%

4.2 Increase in general tax credit

The maximum general tax credit will increase from € 3,068 to € 3,115 as of 2026. Above a box 1 income of € 29,736 (provisional amount), the general tax credit will be reduced by 6.306%.

4.3 Increase in labor tax credit

The maximum employed person's tax credit will increase from € 5,599 to € 5,712 with effect from 2026. The amount of the labor tax credit depends on the income from current employment. Up to an employment income of € 45,593 (provisional amount), the more the employed person's tax credit increases. Above that, the labor tax credit will be reduced by 6.51%.

4.4 Higher flat-rate return for other assets in box 3

Due to case law of the Supreme Court from June 2024 and the one-year postponement for the introduction of the Actual Return Box 3 Act until January 1, 2028, budgetary loss has arisen. To cover this shortfall, a higher flat-rate return for other assets (7.78%) and a reduction in the tax-free amount (to € 51,396) are proposed as of 2026. The flat-rate return for other assets will increase, because from 2026 rental income and benefits as a result of personal use of a second home will also be included. This formula takes into account a gross rental value of 3.35% based on a study by SEO (*Stichting Economisch Onderzoek* ; Economic Research Foundation).

4.5 Application of vacant value ratio box 3

From 2026, affiliated parties who act non-commercially will be excluded from the application of the vacant value ratio in box 3 for the valuation of rented homes. It means that the vacant value ratio can only apply if there is no temporary rental and there is no non-market-based rent when renting to a related party and the tenant enjoys rent protection. Furthermore, the government proposes to codify the judgments from 2015 and 2016, in which the Supreme Court ruled that a valuation based on the vacant value ratio of a rented home that is 10% or more higher than the fair market value of that home in the rented state is not binding. The corresponding adjustment will be included in the so-called end-of-year regulation 2025 with retroactive effect to the dates of these judgments (April 3, 2015 for the Personal Income Tax Act 2001 and September 23, 2016 for the Inheritance Tax Act).

4.6 Closing the tax leak in box 3 for bonds

In box 3, an unwanted tax leak has arisen when purchasing bonds with so-called accrued interest. The tax leak has to do with the way in which interest on bonds is included in the calculations of the actual return in the rebuttal scheme. When buying a bond, the purchase price includes part of the interest already accrued. But when calculating the value of the bond at the end or beginning of the year, the value without that accrued interest is taken into account. This difference in calculations ensures that a taxpayer can show a loss in the first year. The following year, this may be offset by a relatively high profit if the rebuttal rule is applied. However, a taxpayer can choose to apply the flat-rate return that year. This flat-rate return then forms the upper limit for taxation, regardless of how high the actual return is that year. This creates an unwanted tax leak.

In box 3, an exemption applied to short-term instalments, such as current interest installments of a bank account, a savings account or a bond. For example, a right to receive interest on February 1 already has a certain value on the reference date of January 1. Due to the exemption for short-term periods, this value is not taken into account on January 1. To close the leak, the government no longer wants to apply the exemption for short-term periods in the rebuttal scheme for box 3. The accrued interest on bonds is then no longer exempt. The exemption for short-term instalments will only continue to apply to bank balances, because it is not possible to purchase bank balances with current interest instalments. In addition, the rule that bonds and other securities with short-term periods are valued at the closing listing on the last trading day of the calendar year will also be abolished for the rebuttal rule. This quotation does not include accrued interest. By dropping this rule, bonds must be valued at their fair market value. These two measures ensure that it is no longer possible to report a loss for the amount of the accrued interest in the year of purchase of the bond when applying the rebuttal rule.

The adjustments for closing the leak only apply to the rebuttal rule and not to the determination of the flat-rate return in box 3, because this leak does not apply there. To prevent a potential budget leak of € 100 million, the new scheme will take effect retroactively to August 25, 2025 at 16:00. For assets that are already part of the box 3 assets of a taxpayer at that time, the old system will continue to apply.

4.7 Green investment facilities

As a result of an amendment adopted by the Lower House of Parliament during the vote on the 2025 Tax Plan package, the Box 3 exemption for green investments has been reduced from € 71,251 to € 26,000 (for partners from € 142,502 to € 52,000) with effect from 2025, and the tax credit from 0.7% to 0.1%. As of January 1, 2027, the exemption and the tax credit would be abolished altogether. However, the implementation test shows that it is not possible to abolish the exemption and tax credit for green investments by 2027. The abolition would lead to a delay in the modernization of systems at the Tax and Customs Administration, which would also delay the introduction of the Actual Return Box 3 Act. That is why new measures are now being proposed with regard to the exemption for green investments in box 3. Both the exemption for green investments in box 3 and the tax credit for green investments will not expire on January 1, 2027, but on January 1, 2028. The government is proposing a low amount of the exemption for green investments of € 200 (partners € 400), so that the schemes will de facto be virtually abolished as of January 1, 2027.

4.8 Increase of effective tax burden on lucrative interests in box 2 to 36%

On 3 July 2025, the Lower House of Parliament adopted a motion to tax an indirectly held lucrative interest more heavily. In principle, lucrative interests are taxed in box 1 (rate up to 49.5%), but if the taxpayer holds the lucrative interest through a company in which he has a substantial interest, the tax is limited to the substantial interest rate (24.5% and 31%). A condition for having the lucrative interest taxed in box 2 is that at least 95% of the lucrative interest benefits are distributed to the taxpayer by the holding in the year they are realized. The proposed measure aims to effectively tax the income from the lucrative interest held indirectly at a rate of 36%, equal to the rate in box 3. To this end, the income paid out on the basis of the 95% requirement is multiplied by a factor of 36%/31%, being the box 3 rate and the top rate in box 2 respectively. Although the adopted motion was aimed at private equity managers, the proposed measure applies to all lucrative interests held indirectly. The measure will take effect on January 1, 2026.

4.9 Tackling undesirable structure in the case of lucrative interest

A measure is proposed against an undesirable structure in which taxpayers with an indirectly held lucrative interest try to avoid taxation of benefits from lucrative interest. In essence, these are structures in which the taxpayer holds a lucrative interest through an intermediate holding company, where the interest in the intermediate holding company qualifies for box 3 (i.e. not a substantial interest). Just before realization, the interest in the intermediate holding company will be moved from box 3 to box 2 in these intended structures, for example by increasing the interest in the holding company from 4.9% to 5.0%. In this case, the acquisition price for box 2 is set at the fair market value, instead of the historical acquisition price. Subsequently, upon realization, for example in the event of a sale of the lucrative interest, the benefit would have to be distributed by the intermediate holding company to the taxpayer and taxed there in box 2. If the intermediate holding company is subsequently liquidated, there will be no more assets and essentially a loss will be realized compared to the fair market value for which the interest is included in box 2. This loss could then be set off against the previously realized income. The measure provides for the benefits from the lucrative interest to continue to be taxed in box 1 (and therefore not to grant the box 2 regime for the lucrative interest), insofar as the fair market value of the interest exceeds the amount sacrificed at the time of the transfer from box 3 to box 2. The income from the intermediate holding company is also taxed in box 2, but the aforementioned box 2 loss that is realized in the event of liquidation could then be set off against this. The measure must take effect on January 1, 2026.

4.10 Taxability of an annuity that does not qualify or no longer qualifies (not part of the 2026 Tax Plan package)

In practice, it may happen that expenses for income provisions are deducted for an annuity that does not (or no longer) meet the tax conditions for annuities. For example, the annuity agreement may have failed to include that the annuity may not be surrendered or the payment of the instalments may start after the statutory deadline. In principle, this is a non-qualifying or no longer qualifying annuity. The possible consequence of this is that deductions were wrongly claimed in the past, but those years can no longer be reassessed. And because the annuity does not meet the requirements, the payments also cannot be taxed. This is an undesirable violation of the reversal rule whereby the entitlement is untaxed and the benefit is taxed. As a measure in the Tax Miscellaneous Provisions Act 2026, it is proposed to determine, with retroactive effect from 25 April 2025, for annuities that do not (or no longer) qualify, that if such an annuity is paid out, these payments will be regarded as taxable periodic payments and benefits. As a result, the benefits can be included in the taxation. Other measures in the field of annuities concern:

- the alignment of the final commencement date of an annuity, annuity account and annuity investment account;
- adjustment of the legal period within which an annuity, annuity account or annuity investment account must start;
- codification of existing policies relating to annuity accounts and annuity investment accounts in the event of a division in the context of a divorce or legal separation.

4.11 Change to qualifying foreign taxpayer scheme (not part of the 2026 Tax Plan package)

Persons who are subject to the taxation of another Member State of the European Union (EU Member State), another State that is party to the Agreement on the European Economic Area (EEA State), Switzerland or the BES islands can be regarded as qualifying foreign taxpayers (*kwalificerende buitelandse belastingplichtige*; KBB) if, in short, at least 90% of their worldwide income is taxable in the Netherlands and they provide an income statement from the tax authority of the country of residence. KBB’s are then entitled to the same deductions and tax credits as residents of the Netherlands. However, it is not efficient to continue to adhere to the legal obligation in principle to provide an income statement (annually). A proposed amendment in the Tax Miscellaneous Provisions Act 2026 regulates that the provision of an income statement is no longer a precondition for eligibility for the KBB scheme. Only if the inspector so requests must a taxpayer make it plausible with an income statement that at least 90% of his worldwide income is taxable in the Netherlands.

4.12 Codification of approval for secondments in the owner-occupied home scheme (not part of the 2026 Tax Plan package)

For the (mortgage) interest deduction, it is required that there is an owner-occupied home. In order to prevent the home from no longer being regarded as an owner-occupied home due to a temporary stay elsewhere of the taxpayer (e.g. a temporary assignment or transfer), the so-called secondment scheme has been included in the Income Tax Act 2001. This scheme makes it possible for the taxpayer to continue to regard the home as an owner-occupied home on request during a temporary stay elsewhere. One of the conditions for this is that the house is not in use by third parties during that period. The policy approving that certain persons are not regarded as third parties is somewhat expanded and codified by a measure in the Tax Miscellaneous Provisions Act 2026. It will be laid down by law that (step)children, (step)grandchildren and the taxpayer's partner reside in the taxpayer's own home without consequences for the taxpayer's interest deduction, while the taxpayer temporarily resides elsewhere. It is irrelevant here whether the (step)children, the (step)grandchildren or the partner of the taxpayer belonged to the taxpayer's household before the temporary assignment. In addition, persons who belonged to the taxpayer's household for at least twelve consecutive months immediately prior to the temporary stay elsewhere of the taxpayer are also not regarded as third parties. This can be, for example, a parent in need of care. Finally, in all cases the condition applies that the house is made available free of charge.

4.13 Phasing out of self-employed persons deduction (not part of the 2026 Tax Plan package)

The government is phasing out the self-employed persons deduction (at an accelerated rate). The aim of the phasing out is to reduce the difference in tax treatment between employees and the self-employed. Broken down by year, this means the following:

Year	Self-employed persons deduction
2025	€ 2,470
2026	€ 1,200
2027	€ 900

4.14 Gradual phasing out of deduction for having no or only a small mortgage (‘Hillen deduction’, not part of the 2026 Tax Plan package)

The deduction for having no or only a small mortgage on one’s primary residence ('Hillen deduction') ensures that taxpayers who have repaid their home acquisition debt (almost) in full and therefore pay (almost) no interest, receive a deduction that, until 2019, was equal to the imputed income from home ownership (minus any remaining interest). As of 2019, the Hillen deduction is being phased out in equal steps over thirty years. In 2026, the deduction will therefore only be taken into account for 73.33%.

4.15 Austerity/abolition of business discontinuation relief and working partner's abatement (2027, not part of the 2026 Tax Plan package)

In the Spring Memorandum 2025, it was announced that both the business discontinuation relief and the working partner's abatement will be cut back by 75% from 2027 and completely abolished in 2030. The business discontinuation relief is a scheme for entrepreneurs who stop (for example by selling the company), as a result of which no income tax has to be paid on part of the cessation profit. The working partner's abatement is a scheme that allows entrepreneurs whose partners are unpaid co-workers in the business to pay less income tax on their profits.

4.16 Phasing out IACK (2027, not part of the 2026 Tax Plan package)

From 2027, the income-dependent combination tax credit (*inkomensafhankelijke combinatiekorting*; IACK) will be phased out in nine steps, so that it will be completely phased out on January 1, 2035. With effect from January 1, 2025, the IACK has been amended by replacing the formal registration requirement with a substantive test. As a result, the IACK can be granted if there is no joint registration at the same residential address, but the taxpayer and child belong to the same household for at least six months in the calendar year.

5 Payroll taxes

5.1 Expanding/clarifying the bicycle scheme

In 2025, an addition of 7% applies to the (electric) bicycle made available by the employer. Under the current scheme, this leads to an unintended addition for bicycles that are used for commuting but are not structurally parked at home, such as hub bicycles, service bicycles, public transport bicycles and other shared bicycles. It is proposed to apply the addition only to bicycles that are parked at the home or residence address more than incidentally (more than 10%). This means that the bicycle can be taken home incidentally (maximum 10%), without payroll tax being due.

5.2 RVU exemption: extension for three years and increase in amount

In October 2024, an agreement was reached on the Early Retirement Scheme (*Regeling Vervroegde Uittreding*; RVU). With this new agreement, the threshold exemption in the RVU levy will be increased by € 300 per month as of 2026 and extended for three years, with annual indexation based on the minimum wage. The scheme is aimed at employees with heavy work who cannot reach the state pension age in good health. The parties to the collective labor agreement objectively determine which positions are considered heavy. The demarcation is periodically updated and checked by a third party recognised by the Ministry of Social Affairs and Employment. For RVU benefits above the threshold exemption, the pseudo-final levy will be increased step by step: 57.7% in 2026, 64% in 2027 and 65% from 2028.

5.3 Discount on addition to taxable income for emission-free cars expired (not part of the 2026 Tax Plan package)

From 2026, the discount on the addition to taxable income for new emission-free company cars will expire and the addition will be equal to the regular addition percentage of 22%. Currently, a discount of 5% still applies up to a maximum list price of € 30,000. This capping is not applied to zero-emission cars with an engine that can be powered by hydrogen and cars with built-in solar panels.

The abolition of the discount follows from statutory sunset provisions and applies both to employees who also use an emission-free car privately and to IB entrepreneurs. This scheme was supposed to end as early as 2021, but in the Climate Agreement it was decided to postpone it to 2026 to support the goal of only emission-free new cars being sold by 2030 at the latest.

5.4 Reduction in tax-free allowance of actual extraterritorial costs to incoming employees

For incoming employees, employers can choose between the flat-rate expat scheme (in which 30% (2027: 27%) of the salary can be reimbursed tax-free) or the tax-free reimbursement of extraterritorial costs (ETK) actually incurred. The government proposes to cut back on the scheme for the tax-free reimbursement of extraterritorial costs to incoming employees as of January 1, 2026. This means that the extra costs of living, including costs of gas, water, electricity and other utilities related to the temporary stay in the Netherlands, and extra call costs for private purposes with the country of origin, can no longer be reimbursed or provided tax-free by the employer.

Often, call charges for private purposes with the country of origin are made free of charge via internet apps. The extra cost of living is assumed to have already been included in the minimum wage applicable to the employee.

5.5 Tax-free allowance of the expat scheme from 30% to 27% (2027, not part of the 2026 Tax Plan package)

The tax-free flat-rate allowance for employees with specific expertise who are recruited from abroad ('expat scheme') will be reduced from 30% to 27% from 1 January 2027. The general salary threshold for the application of the expat scheme will be increased from € 46,107 to € 50,436 from January 1, 2027 and for incoming employees under the age of 30 with a master's degree, the salary threshold will increase from € 35,048 to € 38,338.

Transitional rules apply to incoming employees who have already applied the expat scheme before 2024. For them, a percentage of 30% will continue to apply until the end of the term of their scheme decision and the old (indexed) salary thresholds will remain in force. For incoming employees for whom the expat scheme was applied for the first time in 2024, the percentage of 27% will apply from January 1, 2027. However, the old (indexed) salary thresholds will continue to apply for the remaining term of their scheme decision. For incoming employees for whom the expat scheme was applied for the first time in 2025, the percentage of 27% and the new increased salary requirement will apply from January 1, 2027.

The transitional rules do not apply to incoming employees who used the expat scheme before 2024 and who have a work interruption in the Netherlands after December 31, 2023, unless this interruption lasts a maximum of three months. This is in line with the rules for changing employers.

5.6 Additional employer's levy for company fossil cars (2027)

The government wants to accelerate the growth of electric cars in the business lease market. The goal is that from 2027 onwards, all cars that employers offer to employees, including commuting, for private use, will be completely emission-free. If the car is not emission-free (such as a petrol car or hybrid car), a pseudo-final levy will apply. A tax rate of 12% applies to the list price of the car. In contrast to the addition, the employee's own contribution is not taken into account. The pseudo-final levy is paid by the employer and can be paid per wage period or at the latest with the tax return for the second wage period of the following calendar year. For cars made available for the first time before January 1, 2027, a transitional arrangement applies until 17 September 2030.

5.7 Stimulation of employee participation for start-ups and scale-ups (2027, not part of the 2026 Tax Plan package)

The Spring Memorandum 2025 announces a new tax scheme to reduce the taxation of stock options for employees of start-ups and scale-ups from 2027. International research shows that the Netherlands is currently out of step in this area. The scheme means that the tax rate for stock options will be reduced from 49.5% to a maximum of 32.17%, making the effective rate approximately the same as that in box 2. This tax reduction is achieved by reducing the basis for income from stock options to 65%. Moreover, employees only pay tax when they sell their shares, rather than when the shares become tradable. A start-up or scale-up exists if the following four cumulative conditions are met:

1. The company is innovative and has scalable business activities.
2. The company can demonstrate which steps are needed to achieve these scalable activities and growth through a growth plan.
3. The company is operated as a private limited company, public limited company or a similar European legal form.
4. The company is not in suspension of payments or bankruptcy and has appropriate solvency and liquidity for an innovative company with scalable business activities.

The Netherlands Enterprise Agency (*Rijksdienst voor Ondernemend Nederland*; RVO) will take care of the assessment and, if approved, will issue a decision with a term of eight years, extendable by five years.

5.8 Amendment of the aggregration provision for the labor tax credit on social security benefits (2027, not part of the 2026 Tax Plan Package)

In March 2025, parliament was informed that, in response to a ruling by the Supreme Court, the government would limit the scope of the labor tax credit via the so-called aggregration provision (*samenvoegbepaling*). It can be concluded from the Spring Memorandum 2025 that from 2027 the labor tax credit will no longer apply to social security benefits paid through the employer.

5.9 Concept of delivery van broadened (2027, not part of the 2026 Tax Plan package)

The law includes rules for the delivery vans that are also made available for private purposes. The definition of the delivery van will be harmonized for various taxes with effect from January 1, 2027 by aligning this with the vehicle registration register. This will result in a limited number of passenger cars qualifying as delivery vans.

5.10 Increase in the discretionary margin of the first bracket for the work-related costs scheme (2027, not part of the 2026 Tax Plan package)

The discretionary margin of the work-related costs scheme in the first bracket (wage bill up to € 400,000) will be increased from 2% to 2.16% as of January 1, 2027, after an earlier increase this year from 1.92% to 2%.

6 VAT

6.1 Reversal of increase in VAT rate for culture, media and sports

The increase in the VAT rate for goods and services in the areas of culture, media and sports – from 9% to 21% starting in 2026 – will be reversed. The rate will remainat 9%. In doing so, the government is honoring a commitment made in the Lower House of Parliament during the discussion of the 2025 Tax Plan (see our previous reporting on this, under the heading 'Adopted motions').

To provide prompt clarity about the retention of the reduced VAT rate, this measure has been included in a separate bill, which the Lower House of Parliament will vote on before the election recess.

6.2 Abolition of reduced VAT rate for accommodation (not part of the 2026 Tax Plan package)

The reduced VAT rate for accommodation will largely be abolished as of January 1, 2026. This means that the VAT rate for overnight stays in hotels, guesthouses, short-stay rentals and rentals of furnished holiday homes, mobile homes, tents and similar accommodations will increase from 9% to 21%. In the case of advance payments made in 2025 for services provided in 2026, transitional rules specify that the VAT rate applicable in 2026 applies.

The current reduced VAT rate for campsites will be maintained and is exempted from the increase. Clarifications have been included in the explanatory memorandum for the distinction between camping and accommodation, though it is anticipated that this issue may continue to generate debate. This distinction may not be fiscally neutral in some cases. It is also foreseeable that in the event of a combined offer of different services (e.g. provision of accommodation and food and beverages), discussions will arise about whether there is a singly supply or multiple supplies and how VAT should be applied. Questions from Germany are also pending before the Court of Justice of the European Union on this matter.

6.3 VAT revision on services to real estate (not part of the 2026 Tax Plan package)

Currently, the VAT regulations do not allow for a multi-year review of deducted VAT on services to immovable property. As of 2026, the current VAT adjustment scheme will be extended to cover services to immovable property that meet a double test. Firstly, it must be a service that serves the immovable property for several years and secondly, the fee (excluding VAT) for the service must be at least € 30,000. This concerns, for example, renovations and major maintenance. The scheme will also include the supply of materials, installations, and on the like that become part of the immovable property through installation or assembly.

For such real estate services that were put into use after December 31, 2025, a VAT adjustment period will apply of, in principle, four financial years following the financial year in which the services were first used. Under certain conditions, an entrepreneur may opt for a revision period of nine financial years instead of four. The background to the measure lies in combating situations in which, in the opinion of the government, undesirable VAT savings are made by temporary VAT-taxed exploitation of homes (for example through 'short stay') following an investment, such as a renovation, and then switching to VAT-exempt rentel, after the VAT deduction has become final.

6.4 Adjusted procedure for zero VAT on the export of travelers' baggage (not part of the 2026 Tax Plan package)

As of January 1, 2026, the zero VAT rate for travelers' baggage (>€ 50) exported from the Netherlands will only apply if, at the time of sale or shortly thereafter (either directly or through an intermediary), all the necessary data (including the traveller's ID number) his digitally entered into a customs-linked system and this file is provided with a digital, automated visa. An app will be made available for this purpose, which will only function at exit points (such as airports).

Physical stamping at a service counter is no longer an option. If the traveler leaves the EU via a country other than the Netherlands, a different procedure applies.

6.5 VAT exemption for certain profit-making socio-cultural institutions (not part of the 2026 Tax Plan package)

Until January 1, 2026, it is possible for some profit-making institutions to apply the VAT exemption for social and cultural services based on favorable policy. A legal basis for this will be given as of 1 January 2026. Effectively, this means that these institutions will no longer be able to choose whether or not to apply the VAT exemption, because it becomes mandatory. This change will mainly affect the VAT position of debt counsellors who currently choose to provide their services to municipalities with VAT applied (and thus retain the right to deduct input VAT). These services will be partiallly exempt from VAT from January 1, 2026.

6.6 Objection and appeal permitted against nil VAT returns (not part of the 2026 Tax Plan package)

This amendment codifies the existing practice that objections and appeals may also be filed against a payment of nil after submission of a nil VAT return. The objection period starts from the day following the final payment deadline, as if VAT were payable.

7 Procedural law amendments

7.1 Streamlining the right of taxpayers to access their own tax file

An amendment to the 2024 Tax Plan has introduced the right of taxpayers to inspect their own tax file with an effective date of 31 December 2025 (Article 66a of the General Law on State Taxes). The implementation analyses of the Tax and Customs Administration have shown that this right of inspection would not be feasible. In order to achieve an enforceable right of access, the Tax Right of Inspection Streamlining Act contains a proposal for an amended regulation. Part of this proposal is that the right of inspection will be introduced step by step (and not at once for all state taxes) by making the right of access only apply to a state tax if this state tax has been designated by general administrative order. The general administrative order that should provide for this and designate income tax as the first state tax is not part of the Tax Inspection Streamlining Act, while it is also not confirmed that the designation of income tax will take place from 31 December 2025. It is therefore unclear whether the right of access will apply for income tax purposes from 31 December 2025.

Insofar as the right of inspection will apply, it follows from the bill that the inspector must actively make the so-called "documents relating to the case" available to a taxpayer. This means that taxpayers do not have to make a request to do so. In this respect, documents relating to the case do not seem to be understood to mean only the documents that are relevant to the settlement of points of dispute. The (active) right of inspection applies at a time when there is no dispute with the Tax and Customs Administration (yet). Furthermore, the bill includes two grounds for exception on the basis of which access does not have to be given, namely the case in which the data have been destroyed after the expiry of the periods in the Public Records Act 1995 and the case in which confidentiality is required for important reasons.

7.2 Exception for Tax and Customs Administration to the Electronic Administrative Communications (Modernization) Act

A measure is proposed that provides for an exception for the Tax and Customs Administration to the Electronic Administrative Communications (Modernization) Act (Wmebv).

The Wmebv will make changes to the General Administrative Law Act (Awb) as of January 1, 2026. The Awb is based on a system of juxtaposition, which means that an administrative body cannot make electronic means mandatory with regard to official messages and citizens and businesses are given the right to send electronic messages to the administrative body. However, parts of this system are still impracticable for the Tax and Customs Administration. For example, certain processes at the Tax and Customs Administration have been completely digitized and the burden of proof rules in the Wmebv do not fit in well with the implementation practice of the Tax and Customs Administration. Moreover, the Wmebv is in conflict with EU law or other international law in the field of customs.

The proposed measure does not change the current working methods of the Tax and Customs Administration, but only ensures that the current working method does not conflict with the modernised General Administrative Law Act. Some of the exceptions are of a temporary nature. The intention is that the Wmebv will be enforceable for the Tax and Customs Administration from 2030. Another part of the exceptions is permanent, namely to the extent that the law on customs conflicts with EU law or other international law.

7.3 Policy statement: adjustment of interest on tax due and late payment interest

The government will freeze the late payment interest rate at 4.25%, so that it no longer automatically rises in line with the ECB rate. The budgetary loss as a result of this measure will be compensated for by maintaining the rate for interest on tax due for corporate income tax in 2026 at the ECB interest rate + the surcharge of 5.5%.

8 Gift and inheritance tax

8.1 Tackling unequal division of matrimonial community of property

A ruling by the Supreme Court makes it possible to shift assets tax-free between spouses by making or amending a prenuptial agreement, which stipulates that in the event of dissolution of the marriage, one spouse will receive more than half. Even if this happens in the face of death or divorce, in many cases it cannot be combated with fraus legis. To prevent this from happening in the future, it is now proposed that gift or inheritance tax will be levied from January 1, 2026 insofar as a taxpayer acquires more than 50% of the matrimonial community of property upon dissolution of that community. The same applies if this is arranged through a set-off clause or a cohabitation agreement between tax (ex-)partners. Prenuptial agreements or set-off clauses that exist on 16 September 2025 at 16:00 will be respected.

8.2 Gifts within 180 days before death will only be taxed through inheritance tax

Gifts made by a person residing in the Netherlands within 180 days before his or her death are also counted as an acquisition under inheritance law. This is intended to prevent assets from being donated shortly before death and thus making optimal use of exemptions and tax brackets. However, the gift tax due may be deducted from the inheritance tax due (up to a maximum of zero; no refund will be made). In the current system, both a gift tax assessment and an inheritance tax assessment are imposed. This is cumbersome and leads to many implementation costs. To prevent this, from January 1, 2026 only an inheritance tax assessment will be imposed. The gift tax assessment can then be omitted.

8.3 Adaptation for non-recognized biological child

In September 2024, the Supreme Court ruled that it is contrary to the ECHR to distinguish within gift and inheritance tax between biological children who have and those who have not been acknowledged by their father, but with whom there is family life. However, the Supreme Court indicated that it is not up to him, but to the legislature to eliminate this conflict. The legislator takes up the gauntlet and proposes to also consider unrecognized biological children as children for gift and inheritance tax purposes. These biological children are therefore entitled to the child exemption and the low rates, but also fall within the scope of all kinds of anti-abuse measures. The child will have to prove through a DNA test that he or she is the biological child of the donor or testator. The legal measure will apply from January 1, 2026. Until that date, the hardship clause can be invoked.

8.4 Extension of inheritance tax return period to 20 months

For inheritance tax, there is currently a filing period of eight months after death. This period is often too short for the citizen to be able to file a correct and complete inheritance tax return. If an inheritance tax return is filed after those eight months, interest on tax is due, even if a deferral has been granted. This leads to incomprehension among citizens and to objections to the tax interest decision. To solve this, a declaration period of twenty months and a related later commencement date of inheritance tax interest is proposed.

8.5 Changing gift tax on homes from WOZ to fair market value (not part of the 2027 Tax Plan package)

Homes that are acquired through a gift or inheritance are currently valued within the gift and inheritance tax on the basis of the WOZ value. This measure proposes to base the value of homes on the fair market value (WEV) for gift tax purposes as of January 1, 2027.

9 Business succession schemes

Business successions are tax-facilitated for personal income tax purposes (a transfer scheme for the substantial interest inherited or gifted; DSR) and in the Inheritance Tax Act (a 100%/83% exemption in the business succession scheme; BOR). The measures from the 2025 Business Succession Tax Relief (Amendment) Act, which was part of the 2025 Tax Plan package, have an effective date of January 1, 2026, unless otherwise stated:

- For substantial interest holders, access to business succession facilities will be limited with effect from a date to be determined by Royal Decree to persons with *regular shares* with an *interest of at least 5% in the total issued capital*. This also applies to shares held indirectly. This measure can have a lot of impact. Persons who currently hold class shares, tracking stocks, membership rights in cooperatives, options, profit-sharing certificates or a notional substantial interest will have to reconsider their position because these interests often no longer qualify. Preference shares created in the context of a phased business succession only qualify if they constitute a conversion of ordinary shares with an interest of at least 5% of the total issued capital. The so-called dilution scheme in the BOR and the DSR (for interests between 0.5%-5% that have arisen because of dilution as a result of inheritance or marriage) will continue to exist. The date of entry into force of this measure has been aligned with that for the expansion of the dilution scheme in the BOR and DSR and the access for small family interests to the BOR from the Business Succession Tax Relief (Amendment) Act 2024. On the basis of the latter Act, the condition in the dilution scheme that an indirect interest of at least 0.5% must be held will lapse for situations in which the acquirer is a relative by blood or marriage in the descending line. Furthermore, access to the BOR will be extended to small shareholdings (box 3 interests), provided that the donor or testator holds an interest of at least 25% in a company together with (a very large circle of) family members of the first family shareholder. Because these measures may involve state aid, the effective date has been postponed until a date to be determined by Royal Decree and approval has first been requested from the European Commission.

- A definition of preference shares will be included in the law. Shares that only give a right to a preference compensation or have priority in the liquidation payment are preference shares. So-called hybrid shares will be 'cut up' into a preference and a non-preference part. The non-preference part is eligible for the business succession facilities, provided that the other conditions are also met. In principle, the preference part is not eligible for the business succession facilities, unless these are so-called qualifying preference shares. The business assets and the invested equity capital of the entity are allocated to the (fictitiously split) non-preference and preference part in proportion to the market value of the shares in question. There can only be priority for a share if there is such priority over other shares. That will be assessed based on the share. It is not important who the holder of those other shares is. The new rules only apply to gifts and inheritances on or after January 1, 2026. The current rules will continue to apply to gifts and inheritances before that date.

- Certain bottlenecks are removed from the holding and continuation requirement of the BOR. Now these requirements stand in the way of economically desirable adjustments to the activities or restructurings. From 2026 onwards, the starting point will be that if there is no change in entitlement to the business, no new holding period will start, nor will the continuation requirement be violated. With regard to running a business during the holding period for the gift or inheritance, the government is introducing a relaxation in cases where the business is discontinued due to government intervention. If there is reinvestment in a new business within three years, the holding period will not be interrupted. This is in accordance with the facility for government intervention after the acquisition of the business/shares. In addition, the continuation requirement has been shortened from five to three years with effect from 2025.

- The government believes that the BOR is sometimes used improperly, for example because elderly people convert their assets into business assets (so-called rollator investments). This form of investment is counteracted by requiring an (increasingly) longer holding period for state pension beneficiaries. The measure does not apply to businesses that a testator or gifter has started within two years of reaching the state pension age.

- Another form of undesirable use is using the business succession facilities more than once (double BOR constructions). This happens, for example, if parents gift the company to their children in a facilitated way, then buy it back years later and then gift the company again many years later in a facilitated way (double use). In order to tackle this alleged construction, an anti-abuse measure has been developed that essentially means that if the same company is donated twice, the BOR can only apply once.

- If the immovable property made available to the own company is transferred by the gifter/testator at the same time as shares, the BOR may also apply to the property. However, as a result of an omission, the (mortgage) debt that is transferred at the same time as the property is not taken into account when determining the amount of the BOR exemption. This omission has been corrected.

10 Real estate transfer tax

10.1 Rate for homes for investors to 8% (not part of the 2026 Tax Plan package)

As of January 1, 2026, the rate for obtaining homes by – in short – investors will be reduced to 8%. The general rate for non-residential properties will remain at 10.4%. The reduced rate of 2% will continue to apply to the acquisition of homes intended for long-term owner-occupancy. The so-called first-time buyer exemption will also remain in place.

11 Taxes and the environment

11.1 Energy tax reduction

The energy tax has a tax reduction. This is a fixed amount per year that is deducted from the energy bill regardless of the amount of electricity and natural gas consumed. It is proposed to structurally increase the tax reduction with effect from January 1, 2026, to € 519.80 for 2026. The tax reduction is applied to electricity connections of objects with a so-called residential function. It concerns immovable property that can serve as a home or for the benefit of a business or profession or otherwise have a residential function. There is no residential function at, for example, business premises that only have the purpose of storing goods or staying for a short period of time. This concerns, for example, garages, garage boxes, sheds, workshops and general areas of a flat, including lifts and halls.

11.2 Waste tax reform

The government has decided not to introduce a tax on plastic. The non-introduction of this levy will lead to a budgetary loss of € 567 million. The government therefore proposes to reform the waste tax, among other things. For example, the exemption for sewage sludge will be abolished as of 2017 and the rate will be increased, from € 39.70 per tonne of waste to € 90.21 per tonne of waste in 2028.

11.3 Relief CO_2 tax for industry

On 25 June 2025, the Lower House of Parliament adopted a motion calling on the government to abolish the CO_2 levy for industry as soon as possible. In order to comply with the motion, the government's intention was to suspend the CO_2 tax until 2030 as soon as possible by setting the rate at zero. The 2026 Tax Plan package now shows that the CO_2 tax for industry will be reduced to the maximum extent. The rate of the CO_2 levy will be reduced to € 78.67 per tonne of CO_2 as of January 1, 2026 and the amount of dispensation rights will also be increased in 2026. Although the CO_2 tax will not be abolished, the adjustments are expected to result in the financial impact of the tax from 2026 onwards being very small. The foregoing does not apply to waste incineration plants; a higher rate will apply to this, with a step-by-step increase to € 295 per tonne of CO_2 in 2030.

11.4 Step-by-step abolition of tax ceiling on tap water

With the tax on tap water, tax is levied on the supply of tap water, whether or not of drinking water quality. The tax currently has a levy ceiling of 300 cubic meters. This bill primarily 1) abolishes the levy ceiling, 2) narrows the tax base to water of drinking water quality and 3) abolishes the so-called 1,000 customer scheme. The levy ceiling will be abolished step by step: the levy ceiling will be raised to 50,000 cubic metres by 2026 and the levy ceiling will be abolished by 2027.

11.5 Uitvoering Carbon Border Adjustment Mechanism (CBAM)

As of 1 October 2023, the Carbon Border Adjustment Mechanism (CBAM) Regulation is in force. The CBAM aims to prevent carbon leakage by levying a carbon price on imported goods from countries outside the European Union. Between 1 October 2023 and January 1, 2026, a transition period will apply during which importers of CBAM goods or their indirect customs representatives will be required to submit a CBAM report on a quarterly basis. The CBAM will become fully operational as of January 1, 2026. From then on, importers must be authorised CBAM declarants in order to be allowed to import CBAM goods and they will pay a price for the greenhouse gases emitted during the production of the CBAM goods they import. This bill provides for the additional provisions necessary to be able to implement those provisions of the Regulation that will become applicable from January 1, 2026 in the Netherlands. Broadly speaking, this bill relates to two points: firstly, the designation of the legal entity in the Netherlands that is responsible for the sale and repurchase of so-called CBAM certificates and, secondly, the prohibition of acting in violation of a number of provisions of the regulation whereby national sanctions must be imposed.

11.6 Differentiation flight tax (2027)

The flight tax currently has a flat rate of € 29.40 per departing passenger. With this bill, the rate of the flight tax will depend on the passenger's final destination as of January 1, 2027. Flights over longer distances, which emit more, are taxed more heavily. The proposed fare structure distinguishes between three distance categories based on the passenger's final destination. The government has decided not to extend the basis of the flight tax to transfer passengers. Passengers who only transfer at Dutch airports will remain exempt from the flight tax.

12 Various

12.1 Motor vehicle tax (BPM and MRB)

- Emission-free passenger cars are heavier than comparable fossil cars due to the weight of the battery. Because the basis of the motor vehicle tax (MRB) is largely based on the weight of the motor vehicle, more MRB must be paid for an emission-free passenger car without a rate discount than for a comparable petrol car. To prevent stagnation of the growth of emission-free passenger cars in the fleet, partly because of the importance of achieving the climate targets, the rate discount for the MRB will be increased from 25% to 30% in the period 2026 – 2028.
- With the expiry of the private motor vehicle and motorcycle tax (BPM) exemption for emission-free motor vehicles on January 1, 2025, an undesirable difference in treatment has arisen between regular emission-free passenger cars on the one hand and emission-free special passenger cars, such as motorhomes and vehicles for wheelchair transport, and emission-free motorcycles on the other. While regular zero-emission passenger cars are only taxed in the BPM with a flat rate of € 667 and a zero rate applies to emission-free delivery vans, the aforementioned zero-emission special passenger cars will be taxed at the same rates as their fossil counterparts from 2025. In order to correct the tax burden for emission-free special passenger cars, it is proposed to apply the same rate for emission-free special passenger cars as regular emission-free passenger cars up to and including 2030. That rate is currently a flat rate of € 667.
- The BPM and MRB use vehicle definitions that deviate from the official registration in the vehicle register. For example, a vehicle is officially a delivery van, while it is regarded as a passenger car for tax purposes. The previous Tax Plan ensures that the official vehicle registration will be followed in tax from 2027 onwards.
- As of January 1, 2026, the MRB will still have two quarter rates for special categories of vehicles: motor vehicles that are equipped as tools or as workshops and motor vehicles that are kept by fairground or circus operators and are used for the transport of fairground or circus supplies. It is proposed to end these quarter rates with effect from January 1, 2028.

12.2 Extension of reduced excise duty rates for unleaded petrol, diesel and LPG

In 2022, due to the energy crisis, it was decided to temporarily reduce the excise duty rates on petrol, diesel and liquefied petroleum gas (LPG). The purpose of this temporary support measure was to cushion the effects of high energy prices. The government proposes to extend the current, reduced excise duty rates by one year. As a result, the reduction will apply until January 1, 2027.

12.3 Adjustment of dairy definition consumption tax on non-alcoholic beverages

The consumption tax on non-alcoholic beverages has an exception for dairy and soy beverages. The government does not consider it desirable for non-alcoholic beverages with a hint of dairy to fall under the dairy exception and thus be exempted from the consumption tax on non-alcoholic beverages. The government proposes to exempt from the consumption tax from January 1, 2027 only dairy drinks that are not sweetened and aromatic and to which no fragrances or flavorings have been added.

12.4 Increase in tax on games of chance (not part of the 2026 Tax Plan package)

As of 2026, the tax on games of chance will be increased from 34.2% to 37.8%, after an earlier increase this year from 30.5% to 34.2%.

KPMG Meijburg & Co
September 16, 2025

The information contained in this memorandum is of a general nature and does not address the specific circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.