

Transition to a new Box 3 regime

On February 12, 2026 the Lower House of the Dutch Parliament approved the new Box 3 regime for levying personal income tax on asset income. The new regime will take effect on January 1, 2028, replacing the current regime. Until then, the flat-rate regime, with the possibility of rebuttal in the event of a lower actual return, will apply. The Upper House of Parliament still has to debate the bill, but will have to adopt the bill this spring, otherwise it will not be possible to have the new rules take effect on January 1, 2028. The Lower House of Parliament passed several motions when voting on the bill. However, the government is not obliged to implement a motion.

Two regimes

As of 2028 taxpayers will pay personal income tax on the income actually realized on their assets. This will be done under two separate regimes: the capital growth tax and the capital gains tax. The main rule is that taxpayers are liable for personal income tax on their realized income, realized capital gains and unrealized capital gains (i.e. capital growth). In deviation from this, a capital gains tax will apply to immovable property and shares in start-ups. That is, tax will only have to be paid on realized income and capital gains, and thus not on any capital gains not yet realized.

Capital growth tax

In principle, as of 2028 all income from assets will be taxed according to the capital growth regime. This means that not only ordinary income from assets in a year will be taxed, but also the appreciation in those assets in a year. This concerns all assets not falling under the capital gains tax and which is not taxed in Box 1 or Box 2. For example, monetary claims and deposits, shares and bonds, but also derivative financial instruments such as options and endowment insurance policies. Cryptocurrencies also fall under this. As of 2028, not only the regular income (such as dividends and interest) less the costs (such as bank fees, financing expenses and commission) will be taxed each year, but so will the growth in the assets (the appreciation). On the other hand, any depreciation in value will be deductible in Box 3. The 'cooperating partners' (banks, insurers and other financial institutions) will provide the Dutch tax authorities with most of the information regarding the assets, making it possible to pre-complete part of the tax return. However, because the Dutch tax authorities will not have all the information about the assets, the tax return for many individuals will become more complex.

Capital gains tax: immovable property

For specific assets, tax will be levied according to a capital gains tax. That will be the case for immovable property in Box 3, such as a second home or (investment) premises that are leased out, as well as the user rights related to that immovable property (such as a right of usufruct, a ground lease and a right of superficies). The rental/lease income will be taxed annually, with (maintenance) costs and expenses being deductible. The interest on loans will also be deductible.

The proposed scheme distinguishes between three categories:

- 1) an immovable property that is rented out/leased out for at least 90% of the year (328 days or 329 days in a leap year);
- 2) an immovable property that is not rented out/leased out during the year; and

- 3) an immovable property that is rented out/leased out for less than 90% of the year.

For immovable property in the first category (rented out/leased out for 90% or more of the year), the actual rental/lease income (less costs and expenses) will be taxed. In the second category (not rented out/leased out), tax must be paid on the flat-rate addition to income for property (less costs and expenses). The addition to income for property serves to tax own use. If the immovable property falls in the third category (rented out/leased out for less than 90% of the year), the highest of the two amounts, the addition to income for property or the actual rental/lease income (less costs and expenses) will be taxed. The addition to income for own use included in the bill amounts to 3.35% and will be calculated on the WOZ value (for a home) or the fair market value (for a non-residential building) at the beginning of the year.

The appreciation in value (and depreciation in value) of an immovable property in Box 3 will only be taxed when it is realized (appreciation in value) or will be deductible (depreciation in value). Improvement costs, such as a renovation, are not directly deductible, but increase the acquisition price of the Box 3 building. Only upon realization of the building – such as a sale – will the improvement costs be deducted from the result. Any loss incurred upon the sale of a Box 3 building will be deductible in Box 3. For the time being, the own home (as principal residence) will continue to be taxed in Box 1 according to the current regime.

Capital gains tax: shares in start-ups

Shares (and profit-sharing certificates) in start-ups that do not belong to a substantial interest will be subject to a capital gains tax. Substantial interest shareholdings will continue to be taxed in Box 2 (for the time being). There will be a separate bill defining what constitutes a start-up.

Tax rate and tax-free result

The bill provides for a tax-free result of EUR 1,800 per taxpayer and (thus) EUR 3,600 for tax partners and married couples. The specific rate still has to be decided, but is not expected to differ (much) from the current 36% rate.

Loss set-off

If the total income in Box 3 is negative, the loss, insofar as it exceeds EUR 500, will be carried forward to the following year and may be set off against the positive Box 3 income in that year.

Valuation

On the date the new regime takes effect, the fair market value of the assets to be taxed in Box 3 will have to be determined, so that only the appreciation (and depreciation) in value arising after that date will be taxed under the new regime. For homes, the WOZ value as at January 1, 2028 will be used for this. An annual valuation will subsequently have to be made. For listed securities, the stock market quotation will be followed.

Foreign situations

The rules for assets held abroad still have to be drawn up. In doing so, the Netherlands will have to comply with international agreements in tax treaties and with European law. For example, for immovable property held abroad this means that it is not the Netherlands but the country in which the immovable property is located, that is allowed to tax the property. Additional provisions about the implications of emigration and immigration are still to come.

No transfer facilities

The new Box 3 regime in the form adopted by the Lower House of Parliament does not provide for any additional provisions for situations where the immediate payment of tax on any (unrealized) appreciation may cause problems, such as in the event of death or divorce. It remains to be seen if these provisions will eventuate. The Lower House of Parliament did, however, pass a motion (no. 33) asking the government to create a transfer facility for NSW estates (estates subject to the Nature Conservation Act) that are inherited or gifted.

Family businesses

The Lower House also passed a motion (no. 22) calling on the government to define the concept of 'family business'. The aim is to make it possible to have shares in family businesses subject to the capital gains tax, just as is the case with shares in start-ups, rather than the capital growth tax.

KPMG Meijburg & Co comments

We expect the Upper House of Parliament to also adopt the new Box 3 regime and that the new regime will indeed take effect in 2028. The (new) government currently has no clear alternatives and the enforcement of the current regime is costing the government more than EUR 2 billion in lost tax revenue each year. In our view, the new regime is an improvement on the current regime, where taxpayers must, each year, opt to apply one of the two regimes. The capital growth tax, however, has a major disadvantage in that tax must be paid on asset appreciation that has not yet actually been realized. The coalition agreement concluded between D66, CDA and VVD states that the aim is to eventually replace the capital growth tax with a capital gains tax. In voting on the bill, the Lower House also passed several motions along those lines.

If you would like to know more, feel free to contact us or your usual Meijburg tax advisor.

KPMG Meijburg & Co
February 13, 2026

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.