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Government presents tax measures for 2027 on Budget Day

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On Budget Day, 15 September 2026, the government presented the 2027 Tax Plan package to the Lower House of Parliament. It consists of the following bills:

- Tax Plan 2027
- Other tax measures 2027
- Tax Incentives for Start-ups and Scale-ups Act
- Safe Harbour Rules under the Minimum Tax Act 2024

Many of the proposed measures have 1 January 2027 as the intended entry into force date. In this memorandum, we have outlined 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 2027 Tax Plan package. Legislation that has been published in consultation version but has not (yet) been formally presented to the Lower House of Parliament is not discussed here due to its uncertain nature – except when inclusion is considered relevant.

Given the current relationships in both Houses, the minority position of the government and the contradictions in society, it is very uncertain whether the proposed measures will all reach the finish line. The necessary amendments and motions can also be expected during the parliamentary debate. Moreover, the government is already announcing two important changes, the exact content of which we do not yet know, so the proposals are not yet complete.

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1 Corporate income tax

1.1 Adjustment of participation exemption and currency hedging instruments

The government is proposing a number of changes to the tax treatment of currency hedging instruments in respect of a participation. The proposed regulation was first submitted in March 2026 via an internet consultation , and amended as a result. The participation exemption stipulates that benefits from the participation (book profits and dividends) are exempt from corporation tax. Currency results on a participation in foreign currencies are also included. For two decades, the CITA 1969 has provided for the possibility of declaring the participation exemption applicable to instruments intended to hedge currency risks at the request to the inspector. An example of this is taking out a loan in the same currency. This system was introduced at the time in order to ensure that such instruments are treated in the same way as the participation itself.

To cover the loss of tax caused by a judgment of the Supreme Court in the area of the liquidation loss scheme, the government is now proposing that 'priced-in' currency results on such hedging instruments should no longer be covered by the participation exemption. This is the result that is already implied in interest rate or forward price differences when the hedging instrument is entered into. The participation exemption only applies to the non-discounted currency result. This is the actual currency risk that arises because the final price development deviates from the pre-priced expectation.

The idea here is that a loan in a relatively weak currency usually has a higher interest rate that is deductible, while the related expected currency profit would be exempt under the participation exemption. The government considers this combination of interest deduction and exempt 'priced-in' currency gain to be fiscally unbalanced. In addition to the substantive amendment, the proposal contains various formal adjustments:

- application of the scheme is explicitly at the request of the taxpayer;
- the participation exemption may apply from the time the legal transaction is entered into, from receipt of a complete request or from a later date specified in the request;
- taxpayers can now also request that the participation exemption no longer be applied to a hedging instrument;
- Objection and appeal against the decision can only relate to the question of whether there is actually a hedging of participation currency risk.

In principle, the changes apply to financial years starting on or after 1 January 2027. There is a separate transitional arrangement with two levels of protection. The old Section 13(7) CITA will continue to apply to existing hedging instruments to the extent that benefits are attributable to the period before the first financial year starting on or after 1 January 2027. As a result, the priced-in currency result attributable to that period will continue to fall under the participation exemption. More far-reaching protection applies to hedging instruments that were entered into before 15 September 2026 (Budget Day 2026) and were already covered by the participation exemption before that date or for which a full request was submitted before that date. To the extent that benefits are attributable to the period up to and including 31 December 2027, these instruments will be fully settled under the current regime.

1.2 Increase of maximum flat-rate innovation box scheme to € 100,000

In practice, the application of the innovation box is associated with relatively high administrative burdens for the business community and implementation costs for the Tax Administration. Not all eligible entrepreneurs currently use the innovation box. These are often SME entrepreneurs. In order to provide these entrepreneurs with access to the innovation box, it is possible to choose per taxpayer per year to set the benefit from qualifying intangible assets at a flat rate of 25% of the profit, with a maximum of € 25,000 per year. This maximum will increase to € 100,000 per year as of 1 January 2027. As a result, more taxpayers can make use of the innovation box. It is expected that some 350 existing innovation box users will also switch to the flat-rate scheme because it is more advantageous, and administratively simpler, than the current regular application. It will also simplify the implementation by the Tax Administration.

1.3 Clarification of the concept of public funds in education and research exemptions

Under certain conditions, there is a subjective exemption from corporate income tax for entities that carry out 90% or more of teaching and research activities. If an entity does not meet this 90% requirement, but does meet the other conditions for application of the subjective exemption, the benefits from the teaching and research activities can be deducted from the taxable profit (object exemption). The exemption applies, among other things, if 70% or more of the education or research is funded from public funds. The proposed measure clarifies that there is no funding from public funds if there is a contractual consideration. In other words, 70% or more of the education or research must be funded from public funds for which no contractual consideration is requested.

1.4 Adjustment of the waiver profit exemption (not part of the 2027 Tax Plan package)

The waiver profit exemption prevents companies from paying tax on profits that arise from debt cancellation. Under the current rules, this does not apply when De Nederlandsche Bank (DNB) or a similar resolution authority reduces the debts of failing financial institutions through statutory write-down powers, such as a bail-in or write-down/conversion of capital instruments. As a result, corporate income tax may still be due in such cases, which may necessitate a deeper bail-in. A measure from the 2027 Tax Miscellaneous Provisions Act therefore stipulates that such debt reductions imposed by the authority are treated for tax purposes under the Corporate Income Tax Act 1969 as if there were the surrender of a right that cannot be realized. This removes tax obstacles to the restructuring of banks, investment firms, insurers and central counterparties. The change applies to financial years from 1 January 2027.

1.5 Housing corporations as of 2028 exempted from the earnings stripping measure (to be published in Memorandum of Amendment)

Housing corporations are currently subject to the earnings stripping measure in corporate income tax. This measure limits the amount of interest that a taxpayer can deduct in a year to the extent that the balance of interest exceeds a threshold of € 1 million or 24.5% of fiscal EBITDA. To the extent that interest is not deductible on the basis of the earnings stripping measure, this interest can be carried forward to later years.

At the time of the introduction of the earnings stripping measure in 2019, it was recognized that the measure would entail an increase in the burden on housing associations. However, the government has argued in the past that the EU directive on which the scheme is based did not offer the scope to spare housing associations in this regard. It follows from the cover letter of the 2027 Tax Plan package that the government currently sees room to spare housing associations. Hence, the government wants to exempt housing associations from the earnings stripping measure from 2028. Although there is neither a legal text nor an explanatory note, it can be concluded from the documents published in the context of Budget Day that this measure will follow via a memorandum of amendment for the 2027 Tax Plan.

As a result of this exception, the balance of interest is no longer limited by the earnings stripping measure, as a result of which the entire balance of interest must be deductible for housing associations from 2028. It also seems that a transitional regime is provided with regard to the balance of interest already to be carried forward.

2 Minimum Tax Act 2024

2.1 The Netherlands includes OECD Side-by-Side package in full in the Minimum Tax Act 2024

The Minimum Tax Act 2024 (WMB 2024) entered into force on 31 December 2023. The WMB 2024 implements the European Pillar 2 Directive, which is based on the OECD Model Rules established by the Inclusive Framework on BEPS ("IF"). With regard to these model rules, the IF published the so-called Side-by-Side package on 5 January 2026.

With the bill on the Safe Harbour Rules Act 2024, the government aims to include the Side-by-Side package in full in the Minimum Tax Act 2024. In addition, in line with the administrative guidance of 11 May 2026, a limited, technical, adjustment is made to the application of the temporary undertaxed profit rule (UTPR Safe Harbour rule) for groups with a reporting year of 52 or 53 weeks.

The full inclusion of the Side-by-Side package entails that the qualifying country-by-country report safe harbour rule ("CbCr SH") will be extended by one year. The CbCr SH can therefore be applied for reporting years starting on or before 31 December 2027 and ending before 1 July 2029. The integral inclusion of the Side-by-Side package further means that the following four safe harbour rules will be introduced in the Minimum Tax Act 2024:

- the Simplified ETR Safe Harbour (SESH);
- the Qualifying Equivalent Minimum Tax Scheme-Safe Harbour (Side-by-Side Safe Harbour; the 'SbS SH');
- the ultimate parent entity safe harbour rule (UPE Safe Harbour; the 'UPE SH');
- the Substance-based Tax Incentive Safe Harbour (SBTI SH).

With regard to the entry into force, it has been decided to have retroactive effect. For the SESH, this means that it applies to reporting years starting on or after 31 December 2025. For the SbS SH, UPE SH and SBTI SH, in line with the application date as included in the Side-by-Side package, retroactive effect is granted to 1 January 2026.

3 Personal and corporate income tax

3.1 Increase in the energy investment allowance percentage (EIA) to 45.5%

The energy investment allowance (*energie-investeringsaftrek*; 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. In order to encourage investments in energy-saving measures or sustainable energy, the deduction percentage of the EIA will be increased from 40% to 45.5% as of 1 January 2027.

3.2 Lapsed presumption of non-business continuity in company merger and demerger facility

In a judgment of 27 February 2026, the Supreme Court ruled that the non-arm's length presumption in the demerger facility is not in accordance with the Merger Directive. This presumption means that a demerger is not considered to be based on commercial considerations – and therefore the demerger facility is not granted – if the shares in an entity concerned are sold to an unrelated entity within three years after the demerger, unless the taxpayer makes a plausible case to the contrary. According to the Supreme Court, this shift of the burden of proof to the taxpayer is not permitted. The inspector must first provide prima facie evidence that there are no business considerations or that there are indications of evasion or postponement of taxation.

In order to remove this conflict, it is proposed to abolish this presumption of evidence. This also applies to the corresponding presumption of evidence in the company merger facility, which is almost identical to the relevant provision in the demerger facility. The specific possibilities for certainty in advance included in the law that relate to these presumptions of evidence will also lapse. The inspector can still refuse the facilities if the reorganisation is predominantly aimed at avoiding or postponing taxation.

3.3 Abolition of forestry exemption (2029)

The forestry exemption will be abolished as of 1 January 2029. The forestry exemption is a scheme whereby benefits from forestry business are exempt from income tax or corporation tax. There will be no transitional law, so that the abolition will have immediate effect.

4 Personal income tax

4.1 Rates box 1

For income from work and home in box 1, the rates for 2027 are as follows:

	2027
1st bracket (up to € 39,247)	36.23% (from state pension age: 18.33%)
2nd bracket (up to € 78,426)	38,16%
3rd bracket above € 78,426	49,50%

For comparison 2026:

	2026
1st bracket (up to € 38,883)	35.75% (from state pension age: 17.85%)
2nd bracket (up to € 78,426)	37,56%
3rd bracket above € 78,426	49,50%

4.2 Increase in general tax credit

The maximum general tax credit will increase from € 3,115 to € 3,154 as of 2027. Above an aggregate income of € 30,910 (provisional amount), the general tax credit will be reduced by 6.638%.

4.3 Increase in labor tax credit

The maximum labor tax credit will increase from € 5,685 to € 5,929 with effect from 2027. The amount of the labor tax credit depends on the income from current employment. Up to an employment income of € 47,834 (provisional amount), the labor tax credit increases as the income increases. Above that, the labor tax credit will be reduced by 6.51%.

4.4 Abolition of the start-up deduction

The start-up deduction will be reduced to € 10 as of 1 January 2027 and completely abolished as of 1 January 2028. It was not possible to abolish it all at once, but by reducing it to € 10 the start-up deduction is de facto abolished as of 1 January 2027. The start-up deduction is an income tax scheme that entitles a taxpayer who has been an entrepreneur for less than five years (starter) to an additional deduction of (currently) a maximum of € 2,123 for a maximum of three years, under certain conditions.

In addition, it is proposed to abolish the scheme for arbitrary depreciation by starters as of 1 January 2028 and to have the start-up deduction for the disabled expire as of 1 January 2029. This affects the allowances and often there will be less entitlement to allowances. The legislator therefore warns entrepreneurs. This is to prevent the recovery of allowances.

4.5 Austerity/abolition of cessation deduction and co-worker deduction

To cover the bill for start-ups and scale-ups (see section 5.2), the co-worker deduction and cessation deduction in the Personal Income Tax Act 2001 will first be cut back by 75% and abolished three years later. This austerity will not take effect immediately, but follows the introduction of the new scheme for share option rights and will take place on 1 January of a year to be determined by Royal Decree. The cessation deduction is a scheme for entrepreneurs who stop (for example by selling their business), as a result of which no personal income tax has to be paid on part of the cessation profit. The co-working partner's deduction is a scheme that allows entrepreneurs whose partner works in the business unpaid to pay less income tax on their profits.

4.6 Structural increase in deductible travel expenses for entrepreneurs and recipients of income from other activities and other fixed deductions to € 0.25 per kilometer (from 2026)

As part of the support package presented on 20 April 2026 against the economic consequences of the tense situation in the Middle East, the maximum deduction of travel expenses for entrepreneurs and beneficiaries has been structurally increased by € 0.02 to € 0.25 per kilometer by means of an approving policy decision and with retroactive effect to 1 January 2026. In addition, the increase also applies to other fixed deductions for travel expenses included in the personal income tax. This includes:

- the deduction of expenses for specific healthcare costs relating to travel expenses for obtaining medical or surgical assistance, pharmaceutical aids and other assistive devices or travel expenses for visiting the sick;
- the deduction for weekend expenses for the disabled;
- the donation deduction for the situation in which a volunteer waives a travel allowance.

The approving policy decision has now been incorporated into the Tax Plan.

4.7 Determination of acquisition price of substantial interest in the event of a transfer of the registered office to the Netherlands and from the Netherlands

A natural person residing abroad who holds a substantial interest in a company established abroad becomes liable to tax in the Netherlands if the registered office of that company is transferred to the Netherlands. After the transfer of the registered office, the natural person holds a substantial interest in a company established in the Netherlands. To clarify, the law now stipulates that the acquisition price at the start of this foreign tax liability is set at the market value of the shares. As a result, only an increase or a decrease in value after the transfer of the registered office in the Netherlands is taxed and unwanted imports of foreign profits or losses are prevented. This is in line with the current territorial system in which only increases or decreases in value are taxed insofar as there is a tax liability in the Netherlands. If the taxpayer has previously been a foreign taxpayer with regard to the company in question, the starting point is not the market value but the historical acquisition price. This historical acquisition price is increased by, among other things, the amount on which tax was settled abroad at the time of the transfer of the registered office and increases in value in periods in which there was no foreign tax liability.

4.8 Concurrence of the facility under Article 4.12a of the Personal Income Tax Act 2001 and excessive borrowing

If shares have been acquired through inheritance, the testator must in principle settle tax liability on the substantial interest gains. The heir will have to pay this tax. In many cases, the money for this will have to be withdrawn from the own company in the form of dividends (death dividends). To facilitate this, Article 4.12a of the Personal Income Tax Act 2001 stipulates that the heir may, on request and under certain conditions, receive substantial interest benefits (such as the dividend) up to a maximum of the amount of the taxed substantial interest benefits, provided that the acquisition price of the shares is thereby reduced. This scheme also applies to so-called fictitious regular benefits that arise from excessive borrowing from the own company. After all, these are also simply substantial interest benefits. However, this is not the intention because the legislator wants to discourage excessive borrowing from the own company. It is proposed to exclude by law the concurrence of the facility of Section 4.12a of the Personal Income Tax Act 2001 and the Excessive Borrowing from Own Company Act. This also prevents double taxation in some situations.

4.9 Abolition of green investment facilities (not part of the 2027 Tax Plan package)

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 has shown that abolishing the exemption and tax credit for green investments by 2027 is not possible. The abolition would lead to a delay in the modernisation of systems at the Tax Administration, which would also delay the introduction of the Actual Return on Investment in Box 3 Act. Therefore, both the exemption for green investments in box 3 and the tax credit for green investments will not expire on 1 January 2027, but on 1 January 2028. However, as of 1 January 2027, such a low amount will apply to the exemption for green investments (€ 200, for partners € 400) that the schemes will de facto be suspended as of 1 January 2027.

4.10 Phasing out of self-employed persons deduction (not part of the 2027 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. As of 2027, the self-employed person's deduction will be reduced from € 1,200 to € 900.

4.11 Gradual phasing out of deduction for having no or only a small mortgage (Hillen deduction, not part of the 2027 Tax Plan package)

The deduction for having no or only a small mortgage (‘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 gradually phased out until it is eliminated in 2041. In 2027, the deduction will only be taken into account for 67.067%.

4.12 Phasing out IACK (not part of the 2027 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 1 January 2035. With effect from 1 January 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 a child belong to the same household for at least six months in the calendar year.

4.13 Expired transitional law for deduction of periodic donations (not part of the 2027 Tax Plan package)

As of 2023, the deduction of periodic donations has been limited to € 250,000 per year (for partners jointly). From 2025, this maximum has been increased to € 1,500,000. Periodic donations from before 4 October 2022, 16:00 remain fully deductible until 2027 at the latest.

4.14 End of transitional law for partial foreign tax liability (not part of the 2027 Tax Plan package)

The transitional law for the partial foreign tax liability ends on 31 December 2026. As a result, employees for whom the expat scheme was applied no later than the last wage period of 2023 can no longer opt for treatment as a foreign taxpayer in box 2 and box 3 from 2027 onwards.

4.15 Owner-occupied home under affordable purchase scheme (not part of the 2027 Tax Plan package)

In principle, a home to which the affordable purchase scheme or an (expiring) anti-speculation clause applies does not fall under the owner-occupied home scheme because the change in value of that home does not (initially) largely concern the taxpayer or his partner (for at least 50%). As a result, no mortgage interest deduction would be possible. However, on the basis of the hardship clause policy, the 50% requirement is also deemed to have been met if the home in question is encumbered with a clause that provides for an interest in each change in value of the home of the taxpayer or his partner that increases at least linearly to 100% for a period of no more than ten consecutive years. In addition, there may not be any other clause that limits the interest of the taxpayer or his partner in a change in value of the home. This hardship clause policy is now being codified and extended to second and subsequent buyers.

4.16 Increase of effective tax burden on lucrative interests in box 2 to 36% (2028, not part of the 2027 Tax Plan package)

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 company in the year they are realised. With effect from 1 January 2028 (originally: 2026), the income from the lucrative interest held indirectly will be effectively taxed 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 measure applies to all indirectly held lucrative interests.

4.17 Abolition of deduction of specific healthcare costs (2028)

Taxpayers can deduct specific healthcare costs in income tax under certain conditions. This deduction will be abolished as of January 1, 2028. With the abolition of the deduction, the associated Specific Healthcare Costs Allowance scheme will also lapse.

4.18 Bill on the Actual Return on Investment in Box 3 Act stranded in the Upper House of Parliament (not part of the 2027 Tax Plan package)

Based on the bill on the Actual Return on Investment in Box 3 Act, the actual return on savings and investments should be taxed in box 3 from 2028 onwards. However, after the plenary debate on the bill in the Upper House of Parliament on 30 June 2026, it became clear that there are many political objections to the capital growth tax (levying on unrealised capital gains) that would apply as the main rule in the proposed new regime. The government foresees that it will not yet be possible to come up with a proposal for amendment that can count on broad support in parliament and is postponing a decision on the new tax on savings and investments until spring 2027. The government is asking the Upper House of Parliament to postpone the bill in the meantime in order to arrive at concrete and widely supported proposals in the coming period that could lead to a decision quickly. In a letter dated 13 September 2026, four scenarios are outlined for this purpose. In the first scenario, various improvements are made to the current bill, such as a carry-back, but without further development towards a full capital gains tax. The other scenarios involve different routes to a full capital gains tax, with or without intermediate steps and each with its own advantages and disadvantages. However, each of the scenarios will be accompanied by a significant budgetary loss.

4.19 Maximum EIA/MIA on actual profit (2029, not part of the 2027 Tax Plan package)

As of 1 January 2029, the energy investment allowance (*energie-investeringsaftrek*; EIA) and environmental investment allowance (*milieu-investeringsaftrek*; MIA) can no longer lead to a negative profit from business in box 1 of the personal income tax. This measure from the previous Tax Plan is intended to combat a tax avoidance construction.

5 Payroll taxes

5.1 Structural increase in tax-free travel allowance to € 0.25 per kilometer (from 2026)

There is a specific exemption for the kilometer allowance within the work-related costs scheme (*werkkostenregeling*; WKR). With retroactive effect to 1 January 2026, this maximum tax-free travel allowance has been increased from € 0.23 to € 0.25 per kilometer. The specific exemption applies to business travel and commuting. The increase was approved in anticipation of legislation in the *Policy Statement on Tax Measures in Response to the Energy Shock*.

5.2 Tax incentive for stock option regime of qualifying start-ups and scale-ups

The government wants to strengthen the business and growth climate for innovative companies in the Netherlands. Under the current scheme, stock options are not or hardly facilitated by tax relief. In addition, employees of start-ups and scale-ups will often owe payroll tax on stock options before they actually sell the shares, which may cause liquidity problems.

Adjustments

The bill on the Tax Incentive for Start-ups and Scale-ups Act introduces a new tax scheme for stock options of employees of qualifying start-ups and scale-ups. As a general rule, the salary benefit is taxed at the time the shares acquired with the options are sold. Only 65% of the taxable benefit is taken into account as wages. The employee can, under certain conditions, opt for earlier taxation upon exercise or when the shares become tradable.

The proposed scheme also applies, under certain conditions, to options on depositary receipts for shares and other rights equivalent to shares.

A company can qualify as a start-up or scale-up if it is focused on rapid growth through an innovative, scalable and repeatable business model. This means that technology will enable it to grow its turnover rapidly without an at least linear increase in staff, resources or costs, involving technical innovation or a significant functional improvement in relation to the relevant industry. In addition, the company must not be listed on the stock exchange and may not be held for more than 25% directly or indirectly by a listed entity. A foreign company can also qualify and apply for an RVO decision, provided that it is a withholding agent for the purposes of the Wage Tax Act 1964 and meets the other conditions.

Due to EU state aid rules, this scheme is in principle limited to companies that meet the EU definition of micro, small and medium-sized enterprises (SMEs). Larger companies can only qualify for the scheme if the state aid remains within the de minimis ceiling of € 300,000 over three years.

In the event of emigration before the moment of taxation, there is a fictitious disposal of the share option right or the share obtained from it at the market value. The benefit calculated in this way is included in a protective assessment, for which in principle a deferral of payment applies until a disposal or other relevant taxation moment takes place.

Transitional law and effective date

Under certain conditions, the scheme can also be applied to options that were granted on or after 17 April 2025 and are not yet included in wage tax on 31 December 2026. The RVO decision must then be applied for by 31 December 2027 at the latest. The intended effective date of the stock option scheme is 1 January 2027.

Box 3

In a letter to the Lower House of Parliament of 1 April 2026, it was announced that the 2027 Tax Plan would also include a measure to adjust the definition of start-up in the current bill on the Actual Return on Investment in Box 3 Act. The government now says it will take more time to decide on the future box 3 system, which is why this change has not been included in the Tax Plan.

5.3 End of specific exemption for discount on industry-specific products

The specific exemption for industry-specific products will expire. In order to continue to give employee discounts tax-free, it must be charged to the discretionary scope of the WKR. The abolition is the result of an adopted motion for the abolition of an inefficient scheme within the WKR to cover the measures relating to high energy and fuel prices. An evaluation of the SEO (*Stichting Economisch Onderzoek*; Economic Research Foundation) on the WKR for 2019-2024 showed that this exemption is seen as partly effective and not efficient. It was indicated that the discretionary margin in principle offers employers sufficient opportunities to facilitate discounts on industry-specific products tax-free.

5.4 Adjustments to the company's pseudo-final levy for fossil cars

The government wants to accelerate the growth of electric cars in the business lease market. Therefore, from 1 January 2027, employers will be subject to a pseudo-final levy of 12% on the list price of fossil passenger cars that are also made available to employees for private purposes. This bill had already been adopted. A number of adjustments are now being proposed in response to identified bottlenecks.

The transitional arrangement for cars that were made available for the first time before 1 January 2027 will be extended until 1 January 2031 (instead of 17 September 2030). Short-term provision of a fossil car (one period of a maximum of seven consecutive days per calendar year) will remain exempt until 1 January 2031. Replacement transport for the 'fixed car' in the event of maintenance or repair for a maximum of fourteen days per calendar year is exempted from the pseudo-final levy. Manual transmission training cars will be exempt. Furthermore, an anti-cumulation provision is proposed to prevent both the pseudo-final levy for fossil passenger cars and the pseudo-final levy for excessive severance payments from being payable on the same benefit.

5.5 More gradual increase in the age limit for the youngtimer scheme

For company cars with a minimum age of 16 years ('youngtimers'), an addition of 35% of the market value applies instead of 22% of the list price. The government is refraining from an abrupt austerity of the youngtimer scheme. Where it was previously envisaged that the age limit would immediately rise to 25 years as of January 1, 2027, there is now a gradual increase to 20 years. The age limit will be raised to 17 years as of January 1, 2027 and then to 20 years as of January 1, 2028. This implements the motion adopted by the Lower House of Parliament on 31 March 2026.

5.6 Increase in pseudo-final levy Early Retirement Scheme (not part of the 2027 Tax Plan package)

For Early Retirement Scheme (*Regeling Vervroegde Uittreding*; RVU) benefits above the threshold exemption, the pseudo-final levy will be increased step by step from 57.7% in 2026 to 64% in 2027 and to 65% from 2028.

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

The tax-free allowance for incoming employees with specific expertise (expat scheme) will be reduced from 30% to 27% from 1 January 2027. From 2027, the salary standard will be increased annually in addition to the annual indexation based on the price level. Transitional law applies under certain conditions.

5.8 Phasing out discount on addition to taxable income for zero-emission cars (not part of the 2027 Tax Plan package)

The discount on the addition to taxable income for the private use of zero-emission company cars will be phased out. The addition to taxable income for zero-emission cars will go from 18% in 2026 to 20% in 2027 for the first € 30,000 of the list price. This cap of € 30,000 will not be applied to zero-emission cars with an engine that can be powered by hydrogen and cars with built-in solar panels. From 2028, the addition will be equal to the regular addition percentage of 22%. If a zero-emission car is purchased in 2027, the 20% addition will still apply for sixty months.

5.9 Amendment of the labor tax credit aggregation provision on social security benefits (not part of the 2027 Tax Plan Package)

With effect from 1 January 2027, the so-called aggregation provision for wage tax purposes will be amended. As a result, certain social security benefits no longer qualify as wages from current employment for the labor tax credit. These are the WAO, WAZ, Wajong, WIA (IVA and WGA), Sickness Benefits Act, Wamil, BNO, WVT benefits and allowance under the Allowances Act. This change follows a 2024 Supreme Court judgment in which it ruled that there is an unjustified difference between employees who receive social security benefits through their employer and employees who receive the same benefit from the Employee Insurance Agency (*Uitvoeringsinstituut Werknemersverzekeringen*; UWV).

The labor tax credit can now be applied to social security benefits paid through the employer and is not applied to the same benefit received through the UWV. As of 1 January 2027, employers will therefore no longer be allowed to apply a labor tax credit to, among other things, the WIA, WGA, WAO and Wajong benefits.

5.10 Increase in the discretionary margin of the first bracket of the WKR (not part of the 2027 Tax Plan package)

The discretionary margin of the WKR in the first bracket (wage bill up to € 400,000) will be increased from 2% to 2.16% as of 1 January 2027, after an earlier increase in 2025 from 1.92% to 2%.

5.11 Concept of 'delivery van' broadened (not part of the 2027 Tax Plan package)

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

5.12 Obligation to report opting-in changes to retention obligation (not part of the 2027 Tax Plan package)

The opting-in arrangement makes it possible to regard an employment relationship that is not normally subject to wage tax as a (fictitious) employment relationship for wage tax purposes. It is proposed to change the obligation to report opting-in to the Tax Administration into a retention obligation. The joint statement no longer has to be sent to the Tax Administration, but must be kept in the payroll administration. In principle, the method of recording is free of form, although subordinate legislation will determine the minimum data required. The Tax Administration makes a model available for this.

5.13 Increase in fixed wage R&D remittance reduction (not part of the 2027 Tax Plan package)

If a company has already performed work in previous years for which an R&D statement has been issued, the R&D hourly wage is based on the average wage from that reference year. If no R&D work has been performed in previous years, a fixed hourly wage is assumed. This hourly wage has not been increased since 2008 and will be increased from € 29 to € 33 as of 1 January 2027.

5.14 Abolition of first-day notification (not part of the 2027 Tax Plan package)

Between 1 July 2006 and 31 December 2008, all employers were obliged to register new employees with the Tax Administration no later than the day before the first working day. This was known as the first-day report ('EDM'). As of 1 January 2009, only companies that had been designated by the inspector were obliged to do so. Because the EDM is no longer or hardly applied in practice, the statutory regulation for the EDM will expire on 1 January 2027.

5.15 Exceeding the final pension commencement date (not part of the 2027 Tax Plan package)

An old-age pension that does not commence no later than five years after reaching the state pension age becomes 'impure'. As a result, the full value is taxed directly as wages from previous employment and in principle 20% revision interest is due. Deadlines also apply to partner's and orphan's pensions. In practice, this arises, for example, when participants are unreachable, such as after emigration. It is therefore proposed to include a relaxation in the Wage Tax Act 1964 that the tax sanctions will be waived under certain conditions if missed pension payments are subsequently paid out in a lump sum. Conditions include that the pensioner is still alive and that the administrator has made a demonstrable attempt to make contact.

5.16 Freezing pension capping limit

The maximum pensionable salary will not be indexed until 2032 and will remain € 137,800. The government has announced that it will freeze the capping limit for tax-facilitated pension accrual for several years from 2027. As a result, the maximum salary on which tax-facilitated pension can be accrued will no longer increase with the regular indexation.

5.17 Lump sum revision act (not part of the 2027 Tax Plan package)

On 16 June 2026, the Upper House of Parliament adopted the Lump Sum Revision Act. This law gives participants in a pension scheme the opportunity to withdraw a maximum of 10% of their accrued retirement pension in one go upon retirement. The scheme aims to offer more freedom of choice in the use of pension assets, for example for the repayment of debts or the financing of a large expense. Due to execution and implementation issues, the entry into force has been postponed to 1 January 2029.

6 VAT

6.1 Abolition of the reduced VAT rate for flowers and plants (2028)

The reduced VAT rate for supplies of floricultural products will be abolished with effect from 2028. As a result, the VAT rate applicable to floricultural products will increase from 9% to the standard rate of 21%. Floricultural products include flower bulbs, flowers, plants and tree nursery products such as Christmas trees. No transitional rules have been provided, meaning that, in the case of advance payments, the applicable VAT rate will be determined by reference to the time of payment or invoicing thereof.

6.2 Abolition of the reduced VAT rate for ballooning (2028)

The reduced VAT rate for ballooning will be abolished with effect from 2028. As a result, the VAT rate applicable to ballooning will increase from 9% to the standard rate of 21%. Transitional rules stipulate that the VAT rate applicable in 2028 will apply to advance payments made, or vouchers sold, in 2027 for ballooning that actually take place in 2028 or later.

6.3 Announcement of mandatory B2B e-invoicing and digital reporting (not part of the 2027 Tax Plan package)

In connection with the European VAT in the Digital Age (ViDA) package, the Ministry of Finance has announced in an outline letter that e-invoicing will become mandatory from 1 July 2030 for both intra-EU cross-border B2B transactions and domestic B2B transactions. In addition, digital reporting of B2B transactions will be phased in from 1 July 2030.

For more information, please refer to our tax alert.

6.4 Implementation of the Single VAT Registration measures under the ViDA package (not part of the 2027 Tax Plan package)

Under the European VAT in the Digital Age (ViDA) package, the Union scheme of the One Stop Shop will be extended with effect from 1 January 2027. It may then also be used for supplies of electricity and supplies of gas, heating and cooling to private individuals. This is particularly relevant to businesses engaged in EV charging in other Member States. They will be able to account, in a single VAT return, for the VAT due on these supplies in different EU countries. More extensive changes will take effect from 1 July 2028:

- a further extension of the Union scheme to include, among other things, local B2C supplies and B2C supplies with installation;
- a mandatory reverse-charge mechanism for domestic supplies made by a business not registered for VAT in the Netherlands to a customer that is registered for VAT in the Netherlands;
- the introduction of a new one-stop-shop scheme for transfers of own goods, accompanied by the abolition of the current call-off stock simplification.

For more information, please refer to our tax alert on VAT in the Digital Age.

6.5 Clarification of the application of the zero rate to warships (not part of the 2027 Tax Plan package)

The legislative amendment clarifies the existing entries in the relevant table to ensure that supplies to, and maintenance of, warships are subject to the zero rate of VAT in all intended cases. No substantive change is intended.

7 Dividend witholding tax

7.1 Dividend withholding tax refund scheme for Dutch investors in foreign investment institutions

With effect from 1 January 2027, a new dividend withholding tax refund scheme will be proposed for Dutch investors in foreign investment funds (BBIs) who invest in Dutch shares (the so-called u-turn investors). The new refund scheme is intended to meet the Supreme Court's judgment of 13 September 2024 in which it ruled that, in the light of EU law, Dutch u-turn investors may not be taxed more heavily than investors who invest in Dutch investment institutions. On the basis of the new refund scheme, Dutch investors in foreign investment fund will at (digital) request be granted a refund of Dutch dividend withholding tax that has been withheld at the expense of the foreign investment fund or a sub-fund of the foreign investment fund

In this context, the amount of the refund can be determined in two ways. The first way is by means of a formula included in the refund scheme. In this context, the formula is intended to be in line with the part of the Dutch dividend withholding tax that is levied on the Netherlands shares held by the foreign investment funds and that is economically borne by the Dutch investor who applies for the refund. The second way is a form-free burden comparison. In this context, the Dutch investor must make it plausible that the Dutch dividends received through the foreign investment fund are on balance taxed more heavily than if the same investment had been held through a Dutch fiscal investment institution (*fiscale beleggingsinstelling*; fbi). For entities established in the Netherlands, under the proposed refund scheme, the refund in a year is capped at the corporation tax due for that year. To the extent that no refund is granted in a year as a result of this restriction, a refund may still be granted in a later year.

The period for submitting a request is five years for natural persons and three years for entities after the end of the financial year of the foreign investment fund in which the profit distribution in question takes place. Furthermore, the refund is subject to the condition that the Dutch investor is the beneficial owner of the profit distributed by the foreign investment fund . Finally, it can be noted that an exempt investment institution (*vrijgestelde beleggingsinstelling*; vbi) is not eligible for the refund.

8 Formal amendments

8.1 Temporary exception regarding electronic messages from the Tax Administration

As of 1 January 2027, Article 2.10(2) of the General Administrative Law Act (*Algemene wet bestuursrecht*; Awb) will enter into force. On the basis of paragraph 1, an administrative body that sends a message to an interested party by electronic means must also send a notification to that interested party. As of 1 January 2027, paragraph 2 then prescribes that the notification must also contain information 'about the nature and legal consequences of the message and, where applicable, the period for the addressee to perform an action'. In the Budget Day documents, this information obligation is referred to in paragraph 2 as 'the action perspective'.

With regard to the invitation to file an income tax return, the provisional income tax assessment and the income tax assessment (i.e. messages that taxpayers can choose to receive exclusively by electronic means), the Tax Administration cannot yet comply with the obligation to include the action perspective in the aforementioned notification as of 1 January 2027. That is why a temporary exception is proposed that will expire on 1 January 2028.

8.2 Exceptions to messages to the Allowances Department from the Electronic Administrative Traffic Modernization Act

Article 2.13(1) of the Awb provides that anyone may electronically send a message that is part of a procedure about a decision or a complaint or another message prescribed by law to an administrative body. However, partly due to substantive reforms within the allowance system (including the switch to a new financing system for childcare allowance), the Allowances Department was unable to fully open up the possibility of electronic messaging in accordance with the Awb provision. That is why the Minister of the Interior and Kingdom Relations has previously arranged in the 'Temporary regulation on phased entry into force Article 2:13 of the Awb' that the aforementioned Awb provision does not apply from 1 January 2026 to 31 December 2026 to various messages that citizens can send to the Allowances Department.

It is still not possible for the Allowances Department to fully facilitate electronic messaging. It is therefore proposed to give the Minister the power to make an exception to Article 2.13(1) of the Awb for specific messages to the Allowances Department. It is expected that electronic messaging will be facilitated as of 1 January 2030. It is therefore proposed that this exception provision should lapse as of that date.

9 Gift and inheritance tax

9.1 Change in gift tax for homes from WOZ value to value of economic transactions will not take place

Homes that are acquired through a gift or inheritance are valued within the gift and inheritance tax on the basis of the WOZ value. As a result of a measure intended for the 2027 Tax Miscellaneous Provisions Act, the market value for homes would be taken into account for the purposes of gift tax as of 1 January 2027. However, this measure has been scrapped.

10 Transfer tax

10.1 Rate for non-main residence homes from 8% to 7%

As part of a broad package of measures to stimulate investment in rental housing, the transfer tax rate for residential properties will be reduced to 7% with effect from 2027. This only applies to homes that are not used as a main residence by the owner. This mainly includes rented homes, but also holiday homes or shares in real estate legal entities that own such rented homes. The rate of 7% will also apply to appurtenances that are acquired at the same time as the home. For homes that are used as a main residence, the rate remains 2% or the first-time buyer's exemption applies. For non-residential properties such as commercial properties, the rate will remain at 10.4%.

10.2 New exemption for transfers of immovable property between housing corporations

Housing associations that transfer immovable property (such as homes) to each other within their social housing task can currently run into transfer tax on such transfers. This is the case if the conditions of the existing exemption for task transfers are not met. According to the legislator, linking the transfer tax exemption to task transfers is no longer in line with the social tasks of housing corporations in public housing. In practice, the conditions for the transfer tax exemption also make it complex for housing associations to transfer rental properties to each other using this transfer tax exemption.

It is proposed to exempt transfers of immovable property between housing corporations as of 1 January 2027 if the immovable property is used for DEAB activities ('services of general economic interest') immediately prior to the acquisition. Homes that do not have a role in the DEAB activities or business premises do not qualify for the proposed exemption. The current exemption for task transfers will be adjusted in the End-of-Year Decree 2026 by including that it will no longer apply if a purchase price is stipulated. This prevents housing associations from being able to choose between two schemes in appropriate cases.

11 Taxes and the environment

11.1 Changes in greenhouse horticulture

It is proposed to introduce an obligation to supply a certain amount of green gas to end users in the Netherlands on an annual basis. The additional cost of green gas leads to additional financial burdens for horticultural companies. That is why it was agreed in the spring of 2025 that greenhouse horticulture will be compensated for the additional price of green gas by adjusting the reduced energy tax rates up to and including 2030. After 2030, the compensation would gradually expire, so that the reduced energy tax rates for greenhouse horticulture will be completely phased out by 2035, as previously laid down in the 2024 Tax Plan package. In the 2027 Tax Plan, the government has chosen to compensate only the additional costs of the green gas blending obligation for 2027 through the energy tax. A decision will be taken in the spring of 2027 on the recalibration of the net CO_2 price. In that context, the government will also decide on the form of compensation for the blending obligation in the period after 2027. The compensation in the energy tax in 2027 will only go ahead if the blending obligation for green gas enters into force on 1 January 2027. If the blending obligation for green gas is not introduced on 1 January 2027, the compensation via the energy tax will not go ahead in 2027.

It is also proposed to clarify who is liable for the CO_2 tax on greenhouse horticulture in the case of partnerships without legal personality, such as a partnership or general partnership. The law clarifies that the tax liability rests with the person who runs the greenhouse horticulture business as a business. In the case of a partnership, the partnership is therefore liable for tax and no allocation is made to the underlying partners or partners. The change has no consequences for the basis of assessment or the amount of the tax due.

11.2 Further fine-tuning of the Carbon Border Adjustment Mechanism (CBAM)

It is proposed to further operationalize the European regulations relating to the Carbon Border Adjustment Mechanism (CBAM). The aim of the CBAM is to prevent carbon leakage by levying a carbon price on imported goods from countries outside the European Union, so that European companies can compete more fairly and third countries are incentivised to take similar climate measures. The CBAM has been fully operational since 1 January 2026.

The proposed amendments legally ensure that the Dutch Emissions Authority (NEa) can monitor compliance with certain CBAM obligations and take enforcement action in the event of violations. Furthermore, in line with the new European regulations, the NEa will be able to impose lower fines in specific cases. Finally, a basis for the exchange of information between the Tax Administration and the NEa is introduced. The NEa can thus receive from the Tax Administration the information necessary to assess whether an importer can be granted the status of authorised CBAM declarant.

11.3 Adjustments to waste tax and CO_2 levy industry for waste incineration plants (AVIs)

With the 2026 Tax Plan last year, a tightening of waste pricing was included in the law. This pricing package contained the following measures:

- Reforms within the waste tax, with the abolition of the exemption for sewage sludge by 2027 and the introduction of a separate rate for landfill with exemption by 2029;
- Use of budgetary return of CO_2 levy for industry for waste incineration plants (AVI's);
- A generic increase in waste tax; and the tightening of the CO_2 levy for industry for AVIs, with a rate of € 304 per tonne of CO_2 in 2030 (at 2026 price level), phasing out the AVI correction factor from 2030 to 0 in 2033, and limiting the trading of dispensation rights to waste incineration plants among themselves).

In accordance with the commitment made during the discussion of the 2026 Tax Plan, the government has reconsidered the interpretation of the pricing package for waste. All things considered, the government is now proposing the following adjustments:

- The increase in the waste tax rate in the 2026 Tax Plan will be partially reversed.
- The tightening of the CO_2 levy for industry from the 2026 Tax Plan will have a delayed growth path.

With the new proposal, the increase in waste tax will be moderated compared to the previous technical interpretation from the 2026 Tax Plan, but there will still be an increase compared to the current rates. This does leave an extra incentive to burn less waste. Second, investment uncertainty in the sector is expected to decrease. Thirdly, the postponed tightening of the CO_2 tax industry offers more time to AVIs to avoid the higher CO_2 tax industry.

11.4 Changes to the tax 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. After raising the tax ceiling for 300 to 50,000 cubic meters by 2026, the tax ceiling will be abolished completely by 2027.

Furthermore, the tax on tap water will be increased by 10 euro cents per cubic meter of tap water supplied as of 2027 (from 2027 this will only mean water of drinking water quality). The rate is 43.7 euro cents per cubic meter this year and will increase to 53.7 euro cents per cubic meter from 2027 (at 2026 price level).

11.5 Adjustments to flight tax

As of 1 January 2027, the rate of the flight tax will be differentiated by distance, based on the passenger's final destination. The rate level (price level 2027) will be determined as of 2027 on the basis of a division into three categories:

1. low fare: for final destinations no further than 2,000 km from Amsterdam (including the Caribbean part of the Kingdom), a rate of € 31.04 per passenger applies;
2. medium fare: for final destinations between 2,000 and 5,500 km from Amsterdam, a rate of € 49.87 per passenger applies;
3. high rate: for final destinations further than 5,500 km from Amsterdam, a rate of € 74.81 per passenger applies.

In order to reduce the costs of airlines flying from Dutch airports and to create a more level playing field with surrounding countries, the government proposes to reduce the high rate of flight tax to € 59.43 (2027 price level) instead of € 74.81 per passenger as of 2027.

It is also proposed to amend the definition of final destination in the flight tax. The final destination is defined as the airport at which the passenger's air journey ends pursuant to the contract of carriage. The proposed amendment is intended to ensure that in the event that no transport agreement has been concluded, the final destination can be demonstrated with the flight plan. Without the proposed adjustments, the highest rate would always be applied in the situation where no transport agreement has been concluded.

11.6 Temporary reduction of truck levy

The truck charge started on 1 July 2026. Since that date, owners of a truck have paid a charge, the amount of which is determined by the rate that applies to the truck in question, multiplied by the number of kilometers that the truck in question drives on the roads subject to the tax. Following the exceptional increase in fuel prices due to the conflict in the Middle East and the related disruptions in the energy markets, tariffs will be temporarily reduced by 22.3% from 1 September 2026 to 31 December 2026.

12 Miscellaneous

12.1 Motor vehicle tax (BPM and MRB)

- A temporary reduction in motor vehicle tax (MRB) is proposed for two categories of motor vehicles that are used to a significant extent in business operations. Firstly, it concerns a temporary halving of the MRB rate for delivery vans of entrepreneurs. Secondly, the MRB rate for trucks is temporarily set at zero. The measures are triggered by the exceptional increase in fuel prices due to the tense situation in the Middle East and the related disruptions in energy markets.

The proposed measures apply for the period from 1 July 2026 to 31 December 2026. Because the 2027 Tax Plan will not enter into force until 1 January 2027, it has been approved by policy statement in anticipation of this legislation that the reduced rates will be applied as of 1 July 2026. With this bill, that approval is still provided with a legal basis. It is therefore proposed that the articles containing the tariff reductions have retroactive effect to 1 July 2026. This is a temporary contribution to the fixed costs of vehicle use. The measures are explicitly not intended as a structural reduction of the MRB. As of 1 January 2027, the regular statutory system will be revived.

- 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 2025 Tax Plan ensures that the official vehicle registration will be followed in tax from 2027 onwards.

- A measure from the 2027 Tax Miscellaneous Provisions Act will expand the exemption for old-timers in the MRB in the sense that all motor vehicles with a date of first admission from before 1 January 1988 will be permanently eligible for the exemption as of 1 January 2027.

- The MRB still has 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. Under the previous Tax Plan, these quarter rates will be terminated as of 1 January 2028.

12.2 Indexing alcohol excise duty

From 1 January 2027, the excise duty on alcoholic beverages will be indexed annually. Unlike fuel excise duties, it is currently not indexed by default. This measure prevents the real value of the alcohol excise duty from decreasing annually.

12.3 Extension of fuel excise duty discount

The reduction in fuel excise duty on petrol and diesel will be extended in 2027 and this excise tax credit will be phased out more gradually.

12.4 Abolition of excise duty refund scheme for bio- and renewable fuels

The refund scheme for biofuels and renewable fuels provides for a partial refund of excise duty for motor fuels that contain a share of sustainably produced biofuels or renewable fuels. The refund is granted to the person who owes the excise duty upon release for consumption and can be applied for under conditions, including that the fuel meets sustainability criteria and contains a minimum proportion of sustainable fuel. The lower limit is that at least 10% of the energy content must come from biofuels or renewable fuels (the so-called 10% requirement). The rationale of the scheme is to compensate for the excise duty disadvantage that arises because biofuels and renewable fuels have a lower energy content than fossil fuels. As a result, less distance can be driven with a liter of fuel, while the regular excise duty rate applies. The government proposes to terminate the scheme because, in practice, the disadvantages outweigh the intended purpose.

12.5 Measures BES islands

For the Caribbean Netherlands, the maximum amount that the taxpayer can deduct from the income from employment, business and profession when using their own car for business purposes will be increased from USD 0.20 to USD 0.22 per kilometer. In addition, the allowance that the employer can give the employee tax-free will also be increased by USD 0.02 to USD 0.22 per kilometer. These changes apply retroactively to 1 January 2026. Furthermore, from 1 January 2027 to 1 January 2028, the previous European-Dutch reduction in fuel excise duty on petrol will be linked.

12.6 Abolition of small brewer scheme

The small brewers' scheme provides for a lower rate of excise duty on beer produced by small independent breweries. However, the small brewers' scheme has been evaluated twice and judged to be ineffective. The government is therefore proposing to abolish the small brewers scheme.

12.7 Amendment of dairy definition for consumption tax on non-alcoholic beverages (not part of the 2027 Tax Plan package)

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 only a hint of dairy to fall under the dairy exception and thus be exempted from the consumption tax on non-alcoholic beverages. As of 1 January 2027, only dairy-based beverages that are not sweetened and aromatic and to which no fragrances or flavourings have been added will be exempted from the consumption tax.

KPMG Meijburg & Co
15 september 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.