

The Netherlands

Summary

1. Businesses can receive compensation of payroll costs up to 90% depending on the amount of loss of turnover
2. Support measures up to € 50k will be disbursed to businesses in sectors specifically affected by COVID-19
3. A provision in the CIT return for 2019 will be available for the expected corona related loss in 2020
4. Special deferment of tax payments for 3 months will be provided without restrictions or fines
5. There will be a lowering of provisional assessments for CIT 2020
6. Tax interest will be lowered to 0.1% for late payments

Background & Details

1. Relief measures are offered for 1) tax-neutral conversions and tax-neutral transformations 2) Business mergers, legal mergers and divisions
2. A reduction of the “normative salary, which is a salary subject to tax, in the event of a decline in turnover
3. Because businesses may expect that their profit in 2020 could be lower than the profit in their provisional corporate income tax or individual income tax assessments, they may file a request with the tax inspector to ask that the assessments be reduced.
4. The tax administration is allowing deferred payments upon request. These include: payroll taxes and social security contributions, VAT, personal income tax/national insurance contributions, income-related contributions for health insurance under the Health Insurance Act, corporate income tax, tax on games of chance, insurance premium tax, the landlord levy, environmental taxes, excise duties and consumption tax on non-alcoholic drinks
5. Employers can use the fixed exemption in the work-related costs rules to give employees untaxed reimbursements and provisions. The Deputy Minister announced that in 2020 the fixed exemption will be increased from 1.7% to 3% for the first EUR 400,000 of the payroll for each employer; this will be a one-off and temporary increase. Consequently, the fixed exemption for 2020 will be increased from EUR 6,800 to EUR 12,000