Dutch Tax Plan 2026

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On 16 September 2025, the Dutch government presented its Tax Plan 2026 and other important tax proposals for the coming years. In this tax alert we will highlight the most important proposals and their potential impact on businesses and high-net worth individuals. We will also address other Dutch tax measures that have already been adopted as well as some proposals that were announced earlier.

Introduction

On 16 September 2025, the Dutch caretaker government proposed the 2026 budget together with the 2026 tax plan. The tax plan contains proposals for amendments to the tax rules for 2026 and onwards. The coalition government was dissolved in June 2025 following disagreement between the various political parties and new elections scheduled for 29 October 2025. Therefore, there were no major amendments proposed. Because the elections will be held before parliament votes on the budget and tax plan, it is likely that the final amendments vary from the currently proposed amendments.

Corporate income tax

Tax classification rules

Starting 1 January 2025, new rules regarding the classification for tax purposes (transparent or opaque) apply. One of the new rules has the result that entities, such as mutual funds and limited partnerships with only portfolio investment activities in for example real estate or securities, may be considered opaque for Dutch corporate income tax and Dutch dividend tax, whereas these entities were tax transparent under the old rules. This result was widely criticized by stakeholders, and the government has announced that it will examine potential solutions.

In the meantime, transitional rules were proposed allowing existing entities that were tax transparent for Dutch tax purposes at the end of 2024 to remain tax transparent until 1 January 2028 if they notify the Dutch tax authorities. The notification is deemed if these entities neither register as an opaque entity nor file a Dutch corporate income tax return.

Technical amendments to the minimum capital rule

The minimum capital rule has applied since 2020 as a specific interest deduction limitation for banks and insurers. Because these institutions were minimally affected by the general interest deduction limitation under the ATAD, it was determined that interest is non-deductible when debt exceeds a specified percentage of the total balance sheet to promote that these institutions are provided with more equity.

The 2026 tax plan makes a technical amendment to the minimum capital rule. Since 2024, an exception has applied for internal liquidity management, whereby certain intragroup loans are excluded from the rule. However, this exception has proven to be overly broad, inadvertently encompassing loans directly related to financing from natural persons (such as deposits). The government therefore proposes that such loans, for fiscal years commencing on or after 1 January 2026, will once again be fully included under the minimum capital rule.

Aggregation rule for the maximum investment amount under the Energy Investment Allowance (EIA)

The Energy Investment Allowance (EIA) incentivizes investments in energy-efficient business assets through a one-time deduction of 40% of the investment amount. A maximum of EUR 151 million in qualifying energy investments applies per taxpayer each year. This ceiling covers both investments made within the taxpayer's own enterprise and those made through a partnership.

As the law previously did not provide for aggregation, this maximum could, in certain cases, be exceeded. The proposed measure addresses this by introducing an aggregation rule, ensuring that the total amount per taxpayer can never exceed EUR 151 million.

Personal Income tax

Box 2 – Substantial interest taxation

The substantial interest taxation (Box 2) tax rates will remain largely unchanged: 24.5% over the first EUR 68,843 (2025: EUR 67,804) and 31% over the excess.

Box 2 – Lucrative interests

The tax base for income derived from indirectly held substantial interests which qualify as so lucrative interests will be broadened to increase the substantial interest tax rate to 36% in line with the tax rate for income from portfolio investments and savings. This measure is aimed to increase taxation for income realized by private equity managers and in relation to certain management participation arrangements in which the returns that may be realized are considered disproportionate to the invested capital and/or associated risk. In addition, the proposal introduces a provision designed to combat certain structures that avoid or minimize the effect of the lucrative interest regime.

Box 3 – Taxation on portfolio investments, deemed returns and tax-free allowance

In 2026, the tax rate for portfolio investments and savings (Box 3) will remain unchanged at 36% over a deemed return on assets. The government intends to implement a new Box 3 regime in 2028, under which taxation will be based on the actual return on assets. Until that time, transitional legislation will apply. Under this transitional Box 3 regime, deemed returns are applied to savings, other assets, and liabilities, with the objective of approximating actual returns. The deemed return is presently set at 1.44% for savings, 5.88% for other assets, and 2.62% for liabilities. Effective 2026, the deemed return for "other assets" will be increased to 7.78%. Furthermore, the tax-free allowance will be reduced from EUR 57,684 to EUR 51,396.

Box 3 – Rebuttal scheme

If a taxpayer believes that their actual return is lower than the deemed return, they may, under the new Box 3 rebuttal scheme (Wet tegenbewijsregeling box 3), choose to file a statement of actual return (Opgaaf werkelijk rendement). Taxpayers may opt for whichever method is more favorable: the temporary transitional system or a calculation based on actual return.

When filing based on actual return, as of 1 January 2026 taxpayers must also take into account the benefit derived from their own use of real estate in Box 3. This is a deemed of 5.06% of the WOZ value (average economic rental value). The benefit is calculated not only for the period in which the owner actually uses the property, but also for periods when the property is at their disposal, such as during vacancy.

In response to reports that taxpayers may be able to avoid taxation under the new Box 3 rebuttal scheme by purchasing bonds with accrued interest, the government has proposed corrective measures to the Wet tegenbewijsregeling box 3. Currently, short-term claims such as accrued interest on bank accounts, savings, or bonds are exempt in Box 3. To prevent tax avoidance, the government proposes removing this exemption within the Wet tegenbewijsregeling box 3 for bonds and similar instruments, while retaining it for bank deposits. In addition, the rule allowing bonds and other securities with short-term claims to be valued at year-end quotations (excluding accrued interest) will be abolished. Instead, they must be valued at fair market value, including accrued interest.

Box 3 – Update of the vacant value ratio

As of 2026, the vacant value ratio (leegwaarderatio) for box 3 of the Income Tax Act and for inheritance tax purposes will be updated. Under both regimes, the value of (non-owner-occupied) dwellings are generally determined on the basis of the WOZ value, which reflects the value in an unoccupied and freely disposable state. To account for the value-reducing effect of tenancy, an alternative valuation method, the vacant value ratio, applies in certain rental situations.

From 2026 onwards, the legislator intends to explicitly incorporate into law the Supreme Court judgments of 3 April 2015 and 23 September 2016, thereby codifying the prevailing policy. According to the Supreme Court, it is inconsistent with the legislative intent to apply the vacant value ratio if it results in a value that is 10% or more above the market value of a rented dwelling. In such cases, the market value of the rented property as of the WOZ valuation date must be applied rather than the vacant value ratio.

In addition, as of 1 January 2026, the vacant value ratio will no longer apply in cases of non-arm's-length rentals between related parties. In such circumstances, the WOZ value must be applied without any reduction. This amendment also prevents related parties who charge below-market rents from relying on the aforementioned Supreme Court rulings.

Wage tax

Extraterritorial costs

Employees who are temporarily assigned to work abroad or in the Netherlands (from abroad) often receive compensation for the additional expenses incurred during their stay outside their country of origin. These expenses are known as extraterritorial costs, when reimbursing these costs, employers have two options: reimbursing the actual extraterritorial costs or, under certain conditions, applying the expat scheme on the basis of which a fixed amount of the salary can be reimbursed without tax for a period of up to 5 years.

In case the actual extraterritorial costs are reimbursed, there is a list of items that qualify as extraterritorial costs. According to the Dutch tax plan, the following items are no longer eligible for tax free reimbursement:

1. The additional living expenses due to a higher price level in the country of work compared to the country of origin (cost of living allowance).
2. The extra (non-business) call costs for telephone conversations with the country of origin.

Inheritance and donation tax

Equal treatment of biological and adopted children

Biological children are to be treated equally to adopted children with respect to gifts and inheritances, thereby entitling them to the child exemption and the reduced tax rate. To mitigate administrative and practical challenges, no additional requirement of demonstrating a close personal relationship is imposed. This broader provision has been intentionally adopted to ensure straightforward and consistent application in practice.

No donation within 180 days prior to the donor's death

Currently, if a donation is made within 180 days prior to the donor's death, it is treated as if the recipient received it through the inheritance. In such cases, inheritance tax applies instead of donation tax. This procedure requires two separate tax filings: one for donation tax and one for inheritance tax, with any previously paid donation tax being credited against the inheritance tax.

Under the proposed amendment, the recipient will no longer be required to file a donation tax return. The Tax Authorities will no longer issue a donation tax assessment, and crediting against inheritance tax will no longer be necessary. However, as is currently the case, it remains mandatory to report in the inheritance tax return any donations made within 180 days prior to the donor's death; these will be included in the inheritance tax calculation as usual.

Amendments to filing deadlines inheritance tax return

The deadline for filing an inheritance tax return will be extended from eight to twenty months after the date of death. Consequently, the point at which inheritance tax interest becomes payable will also be adjusted accordingly.

Revision of unequal share rules in marital arrangements

It is proposed that, in cases of a marital community of property with unequal shares, any portion received by one spouse upon dissolution that exceeds half of the community will be subject to inheritance or donation tax. This aligns with the principle in the Civil Code that each spouse is entitled to 50% of the dissolved community.

The same treatment will apply to final or periodic settlement clauses: where a spouse receives more than half of the settlement amount, the excess will be taxed. A 50%-50% division will, of course, remain exempt from taxation.

Spouses will continue to have the option, for personal reasons, to agree on an unequal division, but such arrangements will trigger inheritance or donation tax upon dissolution or settlement. Couples wishing to establish an unequal division of assets may still do so tax-free by excluding certain assets from the community or settlement arrangement through marital agreements.

Pillar 2

Implementation of administrative guidance

The Netherlands has implemented Pillar 2 based on the OECD rules and the Council Directive (EU) 2022/2523 of 14 December 2022. Based on the Pillar 2 Act (Wet Minimumbelasting 2024) further administrative guidance must be implemented by law before it applies. The Dutch government evaluates all administrative guidance issued by the OECD and determines whether the Pillar 2 Act needs to be amended or whether the administrative guidance serves as a clarification. With the 2026 tax plan, the Dutch government implements some of the administrative guidance issued in 2023 and 2024.

In case the Dutch government considers the amendment to have no adverse effect on the taxpayers, the amendment has retroactive effect. Otherwise, the effective date will be financial years starting on or after 31 December 2025. Notable is the implementation of the administrative guidance of December 2023 relating to the temporary safe harbor based on the Country by Country Report. Based on this guidance, the application of the safe harbor becomes stricter and therefore, it will only be implemented for financial years starting on or after 31 December 2025.

Implementation of DAC9 Directive

Council Directive (EU) 2025/872 of 14 April 2025 (DAC9) contains rules to amend Directive 2011/16/EU on administrative cooperation in the field of taxation in relation to the Pillar 2 information returns. DAC9 Proposes rules to allow EU member states to exchange the necessary information between them and is based on the dissemination approach of the OECD.

DAC9 must be implemented at the latest before 1 January 2026 as the first Pillar 2 information returns must be filed before 30 June 2026.

Value added tax

Increased VAT rate accommodations

In the previous Tax Plan for 2025, the Dutch Government intended to abolish reduced VAT rates for various supplies, such as access to accommodations, books, works of art and access to public museums or collections. The new Tax Plan repeals these measures, with the exception of the VAT rate for accommodations (for example hotels), to which the standard rate of 21% applies as of 1 January 2026.

Real estate transfer tax

Reduction of tax rate for residential properties

Effective 1 January 2026, the standard real estate transfer tax rate applicable to investors in residential properties will be reduced from 10.4% to 8%. The reduced rate will only apply to investors who acquire residential properties that do not qualify as their main residence. The intention of this measure is to encourage investors to invest in more residential rental properties.

Tax procedure rules

Taxpayers must have access to all documents relating to a tax assessment or decision that relates to their taxation allowing taxpayers to have more insight into the decision-making process. Therefore, new rules are proposed that taxpayers are provided with access to the documents at the latest at the moment the assessment is imposed or decision taken. These rules will be implemented in phases per type of tax.

Customs, excises, climate and energy taxes

Customs - Limitation on provisions administrative law

At the moment, most provisions of the Dutch General Administrative Law Act ("Awb") have a direct effect on procedural customs law. In the Tax Plan, the Dutch Government intends to exclude the application of certain digital communication provisions in the Awb entering into effect on 1 January 2026 on procedural customs law.

Customs - Carbon border adjustment mechanism (CBAM)

On 1 January 2026 the definitive Carbon Border Adjustment Mechanism (CBAM) regime will come into effect. When the definitive CBAM regime comes into effect, only authorized CBAM importers possessing a sufficient amount of CBAM certificates may import certain goods (e.g., certain steel and aluminum products) into the EU. The price of a CBAM certificate will be equal to the price of an ETS certificate. The current market price of an ETS certificate is approximately EUR 75 per tonne of emissions. In the new Tax Plan, various administrative provisions on the implementation of the definitive CBAM regime are introduced.

Air passenger tax – Differentiation tax rate on distance

The new Tax Plan sets to introduce multiple tax rates for the air passenger tax, where the rates are based on the country/location of arrival. Currently, a flat air passenger tax of EUR 29,40 applies. As a result of the new measures, the air passenger tax rate for close destinations will remain EUR 29,40, whereas the rate for further destinations will be either EUR 47,24 or EUR 70,86, depending on the location.

Earlier adopted measures effective from 1 January 2026

VAT - Revision of real estate services

The plan to introduce revision of VAT on real estate services was already included in the 2025 Tax Plan and will take effect as of 1 January 2026. A five-year VAT revision will be introduced for services relating to immovable property with a value of at least EUR 30.000. This will mainly apply to renovation services. The measure is intended to counter short-term rental structures in VAT, where properties are rented out as "short-stay" accommodations (subject to VAT) for a brief period after renovation, before being converted into regular (VAT-exempt) rentals.

VAT - Adjustment profit condition for VAT exemption

At the moment of writing, the VAT exemption for cultural and social services only applies where the non-profit condition is met. Effective 1 January 2026, this condition can under circumstances be waived, meaning that entrepreneurs aiming pursuing profit could potentially make use of the VAT exemption.

VAT - Small business scheme (SME scheme)

Entrepreneurs making use of the SME scheme in other EU member states are required to submit turnover data on a quarterly basis. In practice, this led to overlapping reporting obligations. The new legislative proposal removes this duplicate reporting requirement.

VAT- Legal recourse for nil returns

As of 1 January 2026, from a formal procedural law perspective it will be possible to file objections and appeals against nil VAT Returns. Previously, based on administrative and procedural law provisions, it was unclear whether this was allowed.

Closing remarks

Last year, various relevant and significant changes were made to the tax plans during the parliamentary process. We will monitor these updates.

Should you have any questions or need our assistance, please contact your trusted advisor at Dentons or one of the key contacts below.

Key contacts

Jurjen Bevers
Partner
D +31 20 795 34 13
jurjen.bevers@dentons.com

Rezan Ökten
Partner
D +31 20 795 39 41
rezan.okten@dentons.com

Heico Reinoud
Partner
D +31 20 795 34 14
heico.reinoud@dentons.com

Marnix Veldhuijzen
Partner
D +31 20 795 34 10
marnix.veldhuijzen@dentons.com

Sebastiaan Wijsman
Partner
D +31 20 795 36 63
sebastiaan.wijsman@dentons.com

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