

# Estate Planning

## Gift and inheritance tax rates 2017

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Taxable acquisition between (1)	and (2)	I, Spouse, qualifying cohabitants and children		Ia, Grandchildren and other lineal descendants		II, Others	
		a	b	a	b	a	b
EUR	EUR	EUR	%	EUR	%	EUR	%
-	122,269	-	10	-	18	-	30
122,269	and above	12,226	20	22,008	36	36,680	40

a: The tax on the taxable acquisitions listed in column 1.

b: The tax rate on that part of the acquisition falling within the range of column 1 and 2.

### Most important inheritance tax exemptions 2017

Acquisition by	EUR
Spouses and qualifying cohabitants (maximum)	638,089
Spouses (minimum, taking into account the surviving spouse pension)	164,842
Sick and handicapped children	60,621
Children	20,209
Grandchildren	20,209
Parents	47,859
Other recipients	2,129
Deemed as charities (ANBI) by the Dutch tax authorities	Full amount
Organizations representing the public interest (SBBI)	Full amount

### Most important gift tax exemptions 2017 <sup>(1)</sup>

Acquisition by	EUR
Child	5,320
Child between the ages of 18-40 can opt (once) for:	
• spending as desired; or	25,526
• paying the costs of education <sup>(2)</sup> ; or	53,176
• purchasing an own home or repaying the mortgage <sup>(3)</sup> , or home improvements <sup>(2)</sup> ; or	100,000
• purchasing an own home or repaying the mortgage, or home improvements, if the increased exemption was gifted before 2010; or	27,650
• purchasing an own home or repaying the mortgage, or home improvements, if the increased exemption was gifted in 2015-2016	46,824
Other recipients	2,129
Other recipients between the ages of 18-40 can opt (once) for purchasing an own home or repaying the mortgage, or home improvements	100,000
Deemed as charities (ANBI) by the Dutch tax authorities	Full amount
Organizations representing the public interest (SBBI)	Full amount

<sup>(1)</sup> For the purposes of applying the exemptions and the rate, gifts received within the same calendar year will be added together.

<sup>(2)</sup> The amount may be split into EUR 25.526 for spending as desired with the remainder being used for the own home or to pay the costs of education.

<sup>(3)</sup> The exemption for the own home can only be obtained under extremely strict conditions.

## Exemption business assets 2017<sup>(4)</sup>

Exemption for gift and inheritance tax:	%
The first EUR 1,063,479 of the business assets for tax purposes	100
Amounts exceeding the value of the business assets for tax purposes	83

<sup>(4)</sup> Subject to very strict conditions!

## Exemption country estates under National Park Act 2017<sup>(5)</sup>

Exemption for gift and inheritance tax:	%
Of the value of an estate not open to the public	50
Of the value of an estate open to the public	100

<sup>(5)</sup> Subject to very strict conditions!

## Application of table and exemptions

### Example

The estate of Mr. X amounts to EUR 2,725,000. By virtue of his will, his spouse Y and their two children A and B each inherit an amount of EUR 900,000 and nephew Z receives an amount of EUR 25,000.

Spouse Y is included in Category I and is in principle entitled to an exemption of EUR 638,089. She must therefore pay inheritance tax on EUR 261,911 (EUR 900,000 - EUR 638,089). The inherited amount is included in the second tax bracket of EUR 122,269 and above. According to column a of Category I, inheritance tax totaling EUR 12,226 is payable on an amount of EUR 122,269. The excess - EUR 139,642 (EUR 261,911 - EUR 122,269) - is subject to 20% inheritance tax. The total amount payable is therefore:

	EUR 12,226
plus 20% of EUR 139,642	<u>EUR 27,928</u>
	EUR 40,154

The children A and B are also included in Category I and are entitled to an exemption of EUR 20,209. Each child must therefore pay inheritance tax on EUR 879,791 (EUR 900,000 - EUR 20,209). The inherited amount is included in the second tax bracket of EUR 122,269 and above. According to column a of Category I, inheritance tax totaling EUR 12,226 is payable on an amount of EUR 122,269. The excess - EUR 757,522 (EUR 879,791 - EUR 122,269) - is subject to 20% inheritance tax. The total amount payable is therefore:

	EUR 12,226
plus 20% of EUR 757,522	<u>EUR 151,504</u>
	EUR 163,730

Nephew Z is included in Category II and is entitled to an exemption of EUR 2,129. He must pay inheritance tax of EUR 22,871 (EUR 25,000 - EUR 2,129). The inherited amount is included in the first tax bracket (EUR 0 to EUR 122,269), which is subject to 30% inheritance tax. The total amount payable is therefore: EUR 6,861 (30% of EUR 22,871).

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