

Expansion and further easing of deferral of payment for businesses

With reference to our previous memoranda on the measures taken by the government as a result of the corona crisis (including on [March 13](#), [March 18](#) and [March 20](#)), we would like to inform you in more detail about the special deferral of payment for tax debts for businesses that are encountering financial difficulties due to the corona crisis. By letter dated April 2, 2020 sent to the Lower House, the Deputy Minister of Finance Hans Vijlbrief announced an expansion, further easing and simplification of the temporary deferral policy for tax debts.

The temporary deferral policy as of March 19, 2020

A letter dated March 19, 2020 sent to the Lower House had already stated that every business encountering financial difficulties as a result of the corona crisis is eligible for a deferral of payment for any VAT, personal income tax, payroll tax and corporate income tax payable. From the date on which the business registers for this deferral, the collection of tax is immediately put on hold for three months. According to the letter of March 19, 2020, additional information is required for deferrals longer than three months.

Expansion

The temporary deferral policy will now apply to a larger number of relevant taxes for businesses, i.e. tax on games of chance, insurance premium tax, the landlord levy (*verhuurderheffing*), environmental taxes (energy tax/surcharge for sustainable energy (*Opslag Duurzame Energie*; ODE) (see below), coal tax, waste tax, tax on tap water), excise duties (mineral oils, alcohol and tobacco), consumption tax on non-alcoholic drinks and similar taxes in the Dutch Caribbean. For all these taxes, requests for a deferral of payment will be dealt with, in any case until June 19, 2020, according to the temporary deferral policy.

Measures regarding payment obligations under customs regulations had previously been announced, including granting deferrals of payment upon request (see [our News Alert of March 26, 2020](#)).

Dividend withholding tax

A tax such as dividend withholding tax is, on the other hand, excluded from the temporary deferral policy, because distributing dividends actually weakens the liquidity position of companies. In his letter of April 2, 2020 the Deputy Minister therefore called on companies to not distribute any dividends for the time being.

Further easing

The Deputy Minister has eased the conditions for obtaining a deferral of payment for periods longer than three months. He does however state that in that case a substantive assessment remains necessary. He will however cancel the requirement for a statement

from an expert third party if the total tax debt for which a deferral of payment is requested is less than EUR 20,000. In those cases, businesses can suffice with 'less comprehensive' information. For example, documents showing that the turnover figures or the orders/reservations have decreased significantly compared to preceding months. Further instructions will be placed on the website of the Dutch tax authorities. If the total amount for which a deferral of payment is requested exceeds EUR 20,000, a statement from an expert third party, such as an auditor or branch organization, will be required. The further elaboration of this will also be announced shortly.

Simplification of the request procedure

Since April 2, 2020 requests for a deferral of payment can also be made [via the website of the Dutch tax authorities](#), using a simple online form. This is currently possible for VAT, personal income tax, payroll tax and corporate income tax. During the course of the week beginning April 6, 2020 the form can also be used for other taxes falling under the temporary deferral policy. Written requests for a deferral of payment can also still be submitted.

After the online form or letter has been received, the Dutch tax authorities will immediately put all tax collection measures on hold. One request now suffices for a deferral for all types of outstanding tax debts that fall under the deferral policy. Businesses will automatically be granted a three-month deferral of payment. The deferral applies to both outstanding debts at the time of the request and any new debts arising in the subsequent three-month deferral period. It is therefore not necessary to keep submitting new requests for a deferral of payment. According to the website of the Dutch tax authorities, the above applies to all deferral requests submitted since March 12, 2020. For remittance-based taxes such as VAT and payroll tax, the request for a deferral of payment can only be (automatically) granted if a supplementary assessment has been imposed, thus if a tax return has been filed.

Notification of inability to pay

With regard to the special deferral for periods longer than three months, the website of the Dutch tax authorities states that deferral requests submitted by a director of a commercial company that is a legal entity, falls under the corporate income tax regime and that cannot pay the payroll tax and/or VAT, will in principle also be regarded as a notification of inability to pay. The Dutch tax authorities will review this notification and reply to it separately.

G account

An additional measure has been introduced for businesses with a G account. It is now also possible to release these blocked bank accounts, which can normally only be used to pay payroll tax and VAT, up to the amount for which a special deferral of payment is granted. Further instructions for applying for this (additional) release will follow.

Energy tax and the surcharge for sustainable energy (*Opslag Duurzame Energie; ODE*)

The government had already announced in its letter dated March 17, 2020 its wish to temporarily postpone the levying of energy tax and the ODE. The Deputy Minister will publish a policy statement to approve that energy suppliers will be liable for energy tax, the ODE and the VAT on supplies of natural gas and electricity in the months April, May and June 2020 at a later date than normal.

The approval will generally not apply to supplies of natural gas and electricity to households and small businesses. In short, the approval concerns supplies for which the energy supplier invoices without pre-payments or, if there are pre-payments, the final invoice covers a calendar month. This is based on the energy supplier not charging the relevant customers energy tax, the ODE or VAT on supplies in the months April, May and June 2020. This means that a deferral of payment for the ODE and energy tax will be able to be granted to businesses. In October 2020 the energy tax and the ODE, increased by the VAT on this, will be charged by means of an additional invoice and become payable by the energy suppliers.

Should you have any questions about the above, Meijburg's advisors would be pleased to use their expertise to help you minimize the tax and financial consequences of the corona crisis. We will of course keep you informed of any additional tax measures.

Meijburg & Co

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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.