

Collective decision on Box 3 class-action appeal

On Friday, February 4, 2022 the tax inspector issued a collective decision on the class-action appeal against the Box 3 tax regime for the years 2017 through 2020. In the run-up to this decision, the Lower House of the Dutch Parliament debated the forthcoming remedial action and the future of taxing wealth (income). In this memorandum, we will elaborate on this matter.

Decision on class-action appeal

We addressed the Box 3 judgment by the Supreme Court of the Netherlands in an [earlier memorandum](#). In its judgment in the class-action appeal, the Supreme Court ruled that the Box 3 tax regime for the years 2017 and 2018 was contrary to the European Convention on Human Rights (ECHR). The Supreme Court argued that this legal deficiency could be remedied by taxing actual returns rather than fixed returns.

Further to this judgment, the tax inspector was required to issue a collective decision on the class-action appeal within six weeks. In the decision of February 4, 2022, the tax inspector upheld the objections that were filed as part of the class-action appeal for the years 2017 through 2020.

The tax assessments of the individual taxpayers who joined the class-action appeal will have to be reduced within six months of the date of the collective decision.

Developments in Box 3

On February 2, 2022 a number of opposition parties initiated a bill that proposes to introduce a progressive wealth tax. On that same day, the Lower House debated the Box 3 judgment with Mr. Van Rij, the Deputy Minister of Finance. The debate showed that the government will submit a tentative roadmap for the remedial action further to the Box 3 judgment to the Lower House around April 1, 2022. The government also indicated that, around May 1, 2022, it will create more clarity about its vision of taxing wealth (income) in the future.

Tax assessments in Box 3

For the time being, no final personal income tax assessments for the years 2017 through 2021 and other decisions will be imposed on taxpayers who are taxable in Box 3, unless the assessment period threatens to expire or other reasons so warrant.

Until now, provisional personal income tax assessments for the year 2022 have been imposed based on the current statutory Box 3 regime without taking the Box 3 judgment into account. The Deputy Minister of Finance has said that allowance will be made for the Box 3 judgment in finalizing these tax assessments.

Please feel free to contact your KPMG Meijburg & Co advisor if you have any questions or would like to discuss this matter further.

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.