

Lower House of Parliament adopts 2021 Tax Plan package and bill on the Liquidation and Cessation Loss Schemes Limitation Act

On November 12, 2020, the Lower House of Parliament adopted the 2021 Tax Plan package and the bill on the Liquidation and Cessation Loss Schemes Limitation Act. The 2021 Tax Plan package contains the following bills:

- 2021 Tax Plan
- Other tax measures 2021
- Improved Feasibility of Allowances Act
- CO₂ tax on Industrial Emissions Act
- Differentiation of Real Estate Transfer Tax Act
- Changes to Box 3 Act
- One-off rent reduction low-income tenants
- Determination of surcharge rates for sustainable energy and climate transition (*opslag duurzame energie- en klimaattransitie*) 2021 and 2022

For a more detailed explanation of the proposals as these were presented to the Lower House, we refer to [our Budget Day memorandum](#). With regard to the tightening of the loss set-off for corporate income tax purposes as of 2022 and the Job-related Investment Allowance (*Baangerelateerde Investeringskorting*; BIK, for 2021 and 2022) two separate Memorandums of Amendment to the 2021 Tax Plan were presented to the Lower House on October 5, 2020 (see [our previous memorandum](#)).

Amendments and motions were also adopted in the vote on November 12, 2020. The adopted tax amendments and a selection of the adopted motions are briefly outlined below.

2021 Tax Plan

Adopted amendments

- The percentages for the remittance reduction for the **BIK** will be adjusted so that SMEs derive a greater benefit from this. The BIK remittance reduction for an invested amount up to EUR 5 million will be increased from 3% to 3.9% and insofar as the invested amount exceeds EUR 5 million reduced from 2.44% to 1.8% (35572-51).
- The current **gift tax** exemptions for children and other recipients will, after an inflation correction, be (temporarily) increased by EUR 1,000 for the year 2021. This brings the gift tax exemption for each child for 2021 to EUR 6,604 for gifts from parents and the exemption for other recipients for 2021 to EUR 3,244. The aim is to

have private moneylenders such as family and/or friends help ailing businesses through the corona crisis (35572-73).

- The Reduced **Energy Tax** Rate Scheme that is known as the *postcoderoosregeling* will be abolished as of April 1, 2021 instead of as of January 1, 2021. With effect from April 1, 2021, cooperatives and owners' associations can apply for a subsidy for a solar energy project or a small-scale wind energy project. As with the current reduced rate scheme, the new measure uses the postcode area to guarantee the local character (35572-39).

Selection of adopted motions

The Lower House of Parliament has asked the government:

- to examine specific policy proposals in consultation with the relevant sectors to, both for tax and non-tax purposes, boost investments and to strengthen entrepreneurship and innovation and to send these proposals to the Lower House of Parliament in the first quarter of 2021 (35572-47);
- to in future identify the relevant side effects of tax measures and to substantiate why it was decided to compensate or not compensate these side effects (35572-62);
- to investigate the possibilities for a national levy on new plastic (and/or plastics where the percentage of recycled plastic is too small) and to report on this to the Lower House of Parliament before the summer of 2021 (35572-65);
- to provide an overview of the collection costs of and the revenue from the various taxes and excise duties (35572-69);
- to investigate whether and how taxpayers can be given the opportunity to opt for taxation based on the actual return in Box 3 (35572-70);
- to, in the short term, draw up a plan of action to considerably simplify the tax regime for cars (35572-72).

Differentiation of Real Estate Transfer Tax Act

Adopted amendments

- As of April 1, 2021 a **home value limit** of EUR 400,000 will apply to the one-off exemption for real estate transfer tax for homebuyers younger than 35 (starters) to

be introduced as of January 1, 2021. Only starters who buy a house for a maximum of EUR 400,000 will then receive the exemption; starters who buy a more expensive house will, just like other homebuyers, pay 2% real estate transfer tax on the entire amount. The home value limit will be indexed annually. The value will be assessed on the entire home and associated appurtenances, provided these were acquired at the same time as the home (35576-28).

- The **sunset provision** for the aforementioned one-off real estate transfer tax exemption for starters on the housing market will be canceled. As a result of the sunset provision, the exemption would automatically end on January 1, 2026, which will not happen now. On the basis of the evaluation in 2024, it will be examined whether the Differentiation of Real Estate Transfer Tax Act has the desired effect (35576-20).
- **Housing cooperatives** are exempted from the increase in the real estate transfer tax rate to 8% if they take over houses from housing associations. This will ensure that housing cooperatives as joint residents of a complex are equated with the individual buyers of a complex (35576-24).

Final remarks

The adopted amendments are now being incorporated into the bills, after which they will be debated in the Upper House of Parliament in the coming weeks. Unlike the Lower House, the Upper House cannot make any changes, but can only adopt or reject the bills in their entirety (although the latter is unlikely). The Upper House will vote on the bills in mid-December 2020. The adopted motions described above will probably be implemented, because the Deputy Minister of Finance has not advised against them.

Meijburg & Co
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