



BUDGET DAY SPECIAL

TAX PLAN 2023

21 September 2022



This Budget Day special lists the most important proposals from the 2023 Tax Plan and additional bills for you. Many of the proposals have already been announced earlier, for instance in the coalition agreement and the Spring Memorandum.

The special is divided into the following topics:

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The proposed measures will take effect from 1 January 2023, unless otherwise stated.

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COMPANIES

LOWEST CIT RATE FROM 15% TO 19%

The government wants to increase the corporate tax rate in the first bracket from 15% to 19%. It also wants to shorten the bracket length of the first bracket from € 395,000 to € 200,000. As a result, the high corporate income tax rate of 25.8% will apply already from a taxable amount above € 200,000.

Tip!

Bring forward profits, release provisions and make the most of the first rate bracket up to € 395,000 in 2022. By deferring costs or investments until 2023, you realise they are deductible at up to 25.8%.

TWO RATE BRACKETS IN BOX 2

Box 2 taxes income from substantial interest, such as dividends paid to a shareholder from his BV, which is now subject to a single rate of 26.9%. From the year 2024, there will be two tax brackets in the Box 2 rate. The rate will be progressive. The proposal is as follows:

Income tax rate box 2 2024			
Box 2 rate	Tax income more than (€)	But not more than (€)	Rate 2024 (%)
Low rate	-	67,000	24.5%
High rate	67,000	-	31.00%

Tip!

With varying profits, make sure to spread dividend payments over the years to stay in the lowest rate bracket as much as possible. Also consider the possibility of dividing income from a substantial interest between the partners in case of tax partnership. In 2024, the lowest rate is 2.4 percentage points lower than the rate in 2022. Take advantage of this difference by distributing dividends of up to €67,000 in 2024. Partners can even obtain double benefits.

PHASING OUT RETIREMENT RESERVE (FOR)

An entrepreneur for income tax purposes (e.g. a partner in a general partnership) can reserve part of his profits to form a retirement reserve (FOR). From this, an annuity can later be purchased. This ensures that the entrepreneur still has income later in life. Taxation is then deferred until the annuity payments are received. Because the FOR is not always used as intended, the FOR is being phased out. This means that from 2023 no more amounts may be added to the FOR.

Tip!

An existing FOR can still be settled in the usual way in future years.

ACCELERATED PHASING OUT OF SELF-EMPLOYED DEDUCTION

The self-employed deduction is phased out by € 1,280 per year (including the reduction already announced earlier on the basis of the Tax Plan 2020 and the Tax Plan 2021). The self-employed deduction is gradually reduced from € 6,310 in 2022 to € 900 in 2027. By 2023, the self-employed deduction will be € 5,030.

Tip!

The increase in the self-employed deduction for starters (the starter's deduction) remains unchanged for now (€ 2,123).

Note

Fiscal entrepreneurship schemes, including the self-employed deduction and the start-up deduction, will be evaluated in 2023.

INCREASE IN MIA AND EIA

The cabinet announces that the budgets for the Environmental Investment Allowance (MIA) and the Energy Investment Allowance (EIA) will be increased. This is to give companies extra support and because of the growing number of applications. The budget for these investment schemes will be structurally increased by € 100 million (MIA) and € 50 million (EIA) per year from 2023.

NO BOR FOR LEASED PROPERTY

The cabinet wants to further tackle constructions and tax schemes. A subsequent proposal is to soon make rented property ineligible for the business succession scheme (BOR) and carry forward scheme. As a result, rented real estate can no longer be transferred in this way at a tax advantage. This proposal, which will be worked out in more detail, was announced in the 2023 Budget Memorandum.



EMPLOYER

INCREASE IN WORKING EXPENSES SCHEME

Employers can use the free space under the work-related expenses scheme to give tax-free allowances to their employees. Currently, the free allowance for each employer is 1.7% of the first € 400,000 of the wage bill and 1.18% of the excess. It has been proposed, due to the inflation, to increase the free allowance (only) over the first € 400,000 of the wage bill by 0.22%. This is a maximum of € 880 extra free space per employer.

Tip!

The widening of the free space in the work-expenses scheme allows employers to do something extra for employees without charge.

EFFICIENCY MARGIN CUSTOMARY PAY

Director-major shareholders are obliged to grant themselves a salary from their own BV. The minimum amount of that salary is determined on the basis of the customary pay regulation, which among other things takes into account the salary of the most comparable employment. The salary of the Director-major shareholders may be no more than 25% lower than this salary. This 25% is the efficiency margin. It has now been proposed to abolish the efficiency margin, so that Directors-major shareholders may have to grant themselves a higher wage.

Note

Adjusting the wage is not necessary in all cases. The current wage may already comply with the new proposal.

HIGHER PAY DIRECTOR-MAJOR SHAREHOLDER INNOVATIVE START-UPS

For innovative start-ups, the director-major shareholder's customary wage may be set at the minimum wage for up to three years without consultation with the tax authorities. This rule will be abolished for new cases by 2023.

Tip!

Enter into consultations with the Tax Authorities to set a customary wage that takes into account the company's financial position.

RESTRICT 30% RULE

From 1 January 2024, the 30% rule for incoming employees will be limited to the so-called Balkenende norm (remuneration norm top civil servants, currently € 216,000). Capping of the 30% allowance will then come into play if the base exceeds this amount. A transitional rule will be introduced for incoming employees for whom the 30% rule was applied over the last pay period of 2022. For them, the capping will not apply until 1 January 2026. Furthermore, as of 2023, employers will have to make a choice per calendar year for incoming and outgoing employees to reimburse extraterritorial expenses based on the 30% rule or on a declaration basis.

Tip!

For newly hired employees with an annual salary of more than € 216,000, it may be attractive to start employment no later than December 2022. Then the transitional arrangement can be used for another two years.



VAT & EXCISE DUTIES

ZERO VAT ON SOLAR PANELS

Currently, the supply and installation of solar panels is taxed at 21% VAT. The government wants to bring the supply and installation of solar panels at or on homes under the zero VAT rate from 1 January 2023. VAT will then no longer be imposed on the purchase of solar panels. If the annual turnover of power supplies remains below € 1,800, private solar panel holders will no longer have to register with the tax authorities in future.

Note

The zero VAT rate applies only to the supply and installation of solar panels at or on homes.

Tip!

The residential function of a property can be checked in the Basic Register of Addresses and Buildings.

INCREASE IN CONSUMPTION TAX ON NON-ALCOHOLIC BEVERAGES

The consumption tax on non-alcoholic beverages will be increased by € 11.37 to € 20.20 per 100 litres by 2023. In 2024, this will be further increased to € 22.67 per 100 litres. In addition, mineral water will be exempted from the consumption tax on non-alcoholic beverages from 1 January 2024. To ensure that light beers remain at least the same rate as soft drinks, the lowest excise duty rate on beer will be increased by the same amounts from 2023 and 2024.

Tip!

Exempting mineral water from the consumption tax will make this healthy alternative to soft drinks relatively cheaper.

TOBACCO TAX INCREASE

Tobacco excise duty will be increased so that the average retail price for a 20-pack of cigarettes will reach around € 10 by 2024. This will be done in two equal successive steps from 1 April 2023 and 1 April 2024. Excise duty on smoking tobacco & cigars will also be increased from the same date. Besides the expected behavioural effects, an increase in tobacco excise duty leads to additional revenues.

EXCISE DUTY REDUCTION ON FUEL

From 1 April 2022, the government has sharply reduced excise duty rates on unleaded petrol, diesel and LPG to cushion the rise in energy prices. The measure is valid until the end of 2022 and will be extended until 30 June 2023. The statutorily prescribed annual indexation and the increase in the excise duty rate on diesel included in the Fiscal Measures Climate Agreement Act will be postponed until 1 July 2023.

Tip!

Monitor that the financial benefit of a tax reduction depends on a number of factors. Determinants include the number of cars, type of car (including fuel type and fuel economy) and annual mileage.



PROPERTY

EMPTY VALUE RATIO TO 100%

The value of rent-protected houses is determined by multiplying the WOZ value by the vacant-value ratio. This is important for gift and inheritance tax and Box 3 income tax purposes. It is proposed to use a ratio of 100% from 2023 onwards for temporary rent-contracts and for letting to related parties. This effectively abolishes the vacant value ratio in those situations.

TRANSFER TAX INCREASED TO 10.4%

The general transfer tax rate is going up again. The transfer tax rate for non-residential properties and those in which the acquirers are not going to live in themselves for a long time will be increased from 8% to 10.4%.

Tip!

Take into account an increase in the general transfer tax rate from 2023 to 10.4%. If possible, arrange for transfer in 2022; this will save transfer tax.

REAL ESTATE OUTSIDE THE FBI REGIME

The government has announced a corporate income tax measure under which fiscal investment institutions (fbi's) will no longer be allowed to invest directly in real estate. This measure should ensure that profits earned from real estate can be taxed in all cases. Indeed, it has been found that in situations involving foreign investors and Dutch real estate owned by fbi's, Dutch corporate income tax may be frustrated. The measure is expected to take effect from 1 January 2024.



CAR & MOBILITY

UNTAXED TRAVEL ALLOWANCE

An employer may pay its employees an untaxed travel allowance of up to € 0.19 per kilometre for business kilometres (incl. commuting). The maximum untaxed allowance will be increased from 1 January 2023 to a maximum of € 0.21 and from 1 January 2024 to a maximum of € 0.22 per kilometre. The increases will also apply to income tax, so that entrepreneurs, etc. can also benefit.

Note

The Tax Authorities' systems may not be able to adjust in time for the increase from 1 January 2023. The final assessment will include the correct amount.

ADDITIONAL TAX CHARGE FOR ELECTRIC CARS

For the private use of a company car, 22% of the catalogue value is added to the employee's salary as standard. For entrepreneurs, this 22% is deducted from the deductible car expenses. For new emission-free cars, such as fully electric cars, only an additional tax charge of 16% will apply in 2022 on an amount of up to € 35,000. In 2023, this becomes 16% over a maximum of €30,000, as well as in 2024. In 2025, the additional tax charge becomes 17% over a maximum of €30,000 and from 2026 the benefit for electric cars disappears. The additional tax charge will then be equal to the standard tax charge (22%). This was proposed in previous tax plans.

Tip!

For hydrogen cars and electric cars with integrated solar panels, there is no maximum catalogue price for the lower additional tax charge for the time being.

BPM EXEMPTION FOR VANS EXPIRES

The bpm exemption for entrepreneurs' vans will be abolished from 1 January 2025. This also shifts the tax liability from the registered person to the registrant of the van in the vehicle registration register. From 1 January 2025, the registrant, usually the importer or dealer, will have to pay the bpm. However, the bpm exemption for emission-free vans will remain.

Note

Until 31 December 2024, entrepreneurs can use the bpm exemption for a van and continue to make as long as they meet the conditions.

MRB VANS INCREASED

The motor vehicle tax (MRB) rate for entrepreneurs' vans will be raised. This involves a 15% increase in 2025, followed by a further 6.96% increase in 2026.



BOX 3

BOX 3 - CHRISTMAS EVE RULING

In December 2021, in the famous Christmas Eve ruling, the Supreme Court ruled that the Box 3 system was in certain cases contrary to European law. This needs to be rectified. This distinguishes between the past (2017 to 2022), the bridging period (2023 to 2025) and the future (2026 and later years).

DELINEATION LEGAL RECOVERY BOX 3

The proposed Box 3 Legal Restoration Act applies to income tax/national insurance contributions assessments for the years 2017 to 2022, provided they are not irrevocably fixed.

Note

The inspector may not apply the Box 3 Legal Restoration Act if it causes the taxpayer to pay more income tax.

NEW RETURN BASE

In the new calculation of the yield base in Box 3, the benefit from savings and investments is based on the actual composition of assets. Three asset categories are distinguished here: bank balances, debts and other assets. For each asset category, a separate fixed rate of return is proposed that matches the actual return achieved as closely as possible.

CALCULATING NEW BENEFIT FROM SAVINGS AND INVESTMENTS

The return is calculated by multiplying the applicable flat rate of return by the value of assets in the relevant category (after deducting the debt threshold) on the reference date of 1 January.

The rates of return for the new calculation by category:

	Bank balances (I)	Other assets (II)	Debts (III)
2017	0.25%	5.39%	3.43%
2018	0.12%	5.38%	3.20%
2019	0.08%	5.59%	3.00%
2020	0.04%	5.28%	2.74%
2021	0.01%	5.69%	2.46%
2022	-	5.53%	-

The percentages for categories I and III over 2022 are not yet known.

The tax-free wealth under the current Box 3 system remains intact. As the new calculation is based on an actual (rather than a fixed) asset mix, the question may arise as to which assets the tax-free wealth should be deducted from. It is therefore proposed that to determine the new savings and investment benefit, the effective rate of return from the three asset categories should be multiplied by the return base, after it has been reduced by the tax-free assets.

JOINT BASE DISTRIBUTION

As the amount of joint income components may have changed due to the restoration of rights and the method of distribution in the restoration of rights - by adhering to the distribution chosen by the tax partners - differs from the current legislation and this may potentially be detrimental to

the taxpayer, the proposed legislative text allows tax partners to still choose a different distribution with regard to the additional deduction.

BRIDGING ACT BOX 3

In line with the legal restoration box 3, in the years 2023 up to and including 2025, the actual composition of assets will be used for taxation. A separate flat rate of return applies to each asset category (bank balances, other assets and debts).

Note

For the concept of bank deposit, one can follow the definition of deposit. An exception applies to cash, which also counts as a bank deposit. This exception constitutes a derogation from legal recovery.

BOX 3 FLAT RATES FOR 2023 KNOWN

Bank balances will be subject to a flat rate of return of 0.01% in 2023, while other assets will be subject to a flat rate of return of 5.69%. The flat rate of return on debt will be negative 2.46%.

Note

The total return in Box 3 is at least nil.

GREEN INVESTMENT EXEMPTION MAINTAINED

The new Box 3 system will also exempt green investments up to a certain maximum amount. In doing so, an allocation must be made between green investments on bank deposits and other green investments. One should first allocate the exemption as much as possible to other green investments.

Note

The allocation of the exemption to green other investments is favourable, as bank deposits are subject to a much lower flat rate of return.

DATE OF ARBITRATION

Without further measures, it is easy to reduce the box 3 levy under the Box 3 Bridging Act by selling investments just before the reference date, then followed by a temporarily deposit of the proceeds in a bank account. Such a sale is ignored if it takes place in a connected three-month period starting before and ending after the reference date.

Tip!

The measure does not apply if the taxpayer demonstrates plausibly that it acted for business, non-tax reasons.

RATE INCREASE

From 2023 to 2025, the Box 3 rate will increase by 1%-point each year. So that will be a rate of 32% in 2023, 33% in 2024 and 34% in 2025.

Note

The government does not expect many people to transfer wealth from box 3 to box 2. Yet box 2 is also being adjusted to make it no more attractive than box 3.

INCREASE IN TAX-FREE ASSETS

The tax-free capital is increased from € 50,650 to € 57,000. For partners, the tax-free wealth is thus increased from € 101,300 to € 114,000.



(WEALTHY) INDIVIDUALS

INCOME TAX RATES 2023 NON-STATE PENSIONER

Taxpayers who have not reached the state pension age at the beginning of 2023 are expected to face the following rate brackets in 2023.

Income tax rate 2023			
Box 1 rate	Tax income more than (€)	But not more than (€)	Rate 2023 (%)
Disc low rate	-	73,031	36.93%
Disc high rate	73,031	-	49.50%

Income tax rate 2022			
Box 1 rate	Tax income more than (€)	But not more than (€)	Rate 2022 (%)
Disc low rate	-	69,398	37.07%
Disc high rate	69,398	-	49.50%

These rates include national insurance contributions.
For those subject to other national insurance contributions, a different rate structure applies.

INCOME TAX RATES 2023 STATE PENSIONER

Taxpayers who have reached state pension age at the beginning of 2023 and were born after 1946 are expected to face the following rate brackets in 2023.

Income tax rate 2023 (state pensioner)			
Box 1 rate	Tax income more than (€)	But not more than (€)	Rate 2023 (%)
Rate disc 1	-	37,149	19.03%
Rate disc 2	37,149	73,031	36.93%
Rate disc 3	73,031	-	49.50%

Income tax rate 2022 (state pensioner)			
Box 1 rate	Tax income more than (€)	But not more than (€)	Rate 2022 (%)
Rate disc 1	-	35,472	19.17%
Rate disc 2	35,472	69,398	37.07%
Rate disc 3	69,398	-	49.50%

These rates include national insurance contributions. For those subject to other national insurance contributions, a different rate structure applies.

MODIFIED TAX CREDITS

Below are the changes to tax credits as mentioned in the Explanatory Memorandum of the Tax Plan 2023. There is concern for taxpayers younger than the state pension age. In principle, lower ceilings apply to AOW recipients.

Tax credits	2023 (€)	2022 (€)
General tax credit maximum	3,070	2,888
Employment discount maximum	5,052	4,260
Income-dependent combination discount	2,694	2,534
Young disabled discount	820	771

PHASING OUT IACK

The income-related combination credit (IACK) for working parents with one or more children under 12 will be abolished by 2025. This does not apply to parents with (one or more) children born before 1 January 2025. A fundamental review of the childcare allowance (KOT) has been announced. The government opts for an income-neutral allowance of 96% (up to the maximum hourly rate) for working parents. This high allowance contributes to the affordability of childcare. It thus becomes more attractive for parents to combine work and care for young children.

HIGH MARGINAL PRESSURE MIDDLE INCOMES

When someone has more income, that person pays more taxes and contributions and receives fewer allowances. The difference between gross extra income and net extra income is called marginal pressure. Tables of this were added to the tax plans. From a gross income of about € 23,000, there is a very high marginal pressure of up to 87% for people entitled to care and rent benefits. As the maximum care allowance and maximum rent allowance have been increased, the group of people affected has become larger.

Note

In order to determine what a person is left net of extra income, reduced entitlement to allowances must also be taken into account.

IN 2025, AGGREGATE INCOME DETERMINES GENERAL TAX CREDIT

In 2022, the maximum general tax credit (ahk) of € 2,888 will decrease by 6.007% of income from work and home to the extent that this income exceeds €21,317. In 2025, that reduction will become dependent on aggregate income.

Note

The aggregate income is the total of income from work and home, income from substantial interest and income from savings and investments.

JUBELTON ABOLISHED

The extended gift exemption of € 106,671 (2022), intended to purchase an owner-occupied home or repay an owner-occupied home debt, will expire from 2024. In anticipation, this exemption will already be reduced to € 28,947 in 2023. Also, as of 1 January 2024, the spreading option will expire. Specifically, this means that any part of the maximum exemption that remains unused in a gift in 2022 can only be used for a gift in 2023, but no longer for a gift in 2024.

USE OF ODV FOR ANNUITY

Previously, a director-major shareholder could build up a pension provision in their own private limited company. When this was abolished, part of the pension could be converted into a retirement obligation (ODV). Before an ODV is paid out, the director-major shareholder can buy an annuity from it. Because in practice there was a desire to buy an annuity after the ODV payments started (even if five years have already passed after the end of the calendar year in which the taxpayer reaches the state pension age), approvals for this were issued. These approvals, including the conditions set therein, will now be incorporated into law.

Tip!

If a BV is maintained only by virtue of an ODV, the BV can be dissolved after purchasing an annuity.

REPAIR OF TRANSITIONAL LAW EDUCATION DEDUCTION

Since 1 January 2022, the tax deduction of education expenses in income tax has been abolished. Since that date, there is only a transitional provision for education expenses up to and including the academic year 2014/2015. This transitional law is intended to apply until 1 January 2031. However, the way the transitional provision has been incorporated into the law is not correct. Therefore, it has now been decided to fix this retroactively to 1 January 2022. This will bring the law back in line with its intention.

LIMITATION ON PERIODIC GIFT DEDUCTION

Periodic gifts are donations made annually for at least five years. Under conditions, such donations are currently fully deductible in income tax. It has been proposed to introduce a maximum deductible amount for periodic gifts. Gifts of more than € 250,000 (per household) may then no longer be offset against income.

CORRECTION MULTIPLIER GIFT DEDUCTION

The income tax multiplier means that the amount of

deductible donations to cultural ANBIs is increased by 25%, but at most by € 1,250. In practice, it has always been assumed that the maximum amount of € 1,250 applies to both partners together. Based on the current legal text, the increase for fiscal partners should be a maximum of double (€ 2,500). The law will be amended to reflect practice. The maximum increase also remains € 1,250 for fiscal partners together.

AVERAGING SCHEME ABOLISHED

It is proposed to abolish the averaging arrangement. The averaging arrangement recalculates the tax on income from work and home over a continuous period of three calendar years (the averaging period) to the tax on average income over this averaging period. Is the recalculated tax lower than the tax levied, then you are entitled to a refund for this difference, after it has been reduced by a threshold of € 545. The 2022-2023-2024 period is the last period for which averaging can be done.

Tip!

The request for averaging must be filed within 36 months of the last assessment becoming final.

AIR PASSENGER TAX RATE INCREASES

The air passenger tax will be increased by € 17.95. As the current air passenger tax rate of € 7.947 is indexed annually, the new rate including indexation and increase is € 26.43 per departing passenger. Short-haul flying is thus discouraged, as the air passenger tax weighs relatively more heavily on it.

INCREASE IN HEALTHCARE AND RENT ALLOWANCE

The maximum rent allowance and the maximum care allowance will be increased by around € 35 and € 17 per month respectively to support the most vulnerable households. Because the care allowance will increase and the phase-out rate will remain the same, there will be more households entitled to care allowance in 2023.

DISPLACED UKRAINIAN IS NOT AN ALLOWANCE PARTNER

The government is amending the law to ensure that a displaced Ukrainian hosted at home does not count as a benefits partner for benefits purposes. Without this amendment, the reception of Ukrainians would limit or jeopardise their entitlement to benefits.

Note

Those who marry or have a child with a resettled Ukrainian must, however, declare that Ukrainian as an allowance partner.

Tip!

This amendment is retroactive to 24 February 2022.

VIOLENT PARTNER TO BE EXCLUDED AS AN ALLOWANCE PARTNER

If there is a threat of domestic violence, shelter for a partner is possible. However, the partner left behind will remain the benefits partner. It will be possible for the sheltered partner to request that the partner left behind no longer be considered an allowance partner for the duration of the shelter. As a result, the host partner will not have to wait until the divorce proceedings are initiated to become independently entitled to benefits. This measure only applies to benefits and not to income tax partnership.

Note

At the time the shelter ends, the allowance partnership with the partner revives from that moment. But this does not happen retroactively.



INTERNATIONAL SITUATIONS

INCREASE IN TAX FREE ALLOWANCE IN CARIBBEAN NETHERLANDS

As a purchasing power measure, the cabinet wants to increase the tax-free sum in the wage and income tax in the Caribbean Netherlands by USD 500. In addition, the tax-free sum will also increase as of 1 January 2023 due to the annual inflation correction.

REDUCTION IN EXCISE DUTY ON PETROL CARIBBEAN NETHERLANDS WILL TAKE LONGER

On 1 April 2022, the Cabinet temporarily reduced the excise duty on petrol in the Caribbean Netherlands. The reduction is USD16 per hectolitre. The cabinet plans to extend the temporary reduction until 30 June 2023. In two equal steps of USD 8 cents per hectolitre on 1 July 2023 and on 1 January 2024, the temporary reduction will be reversed. Diesel and LPG are not subject to excise duty in the Caribbean Netherlands.



OTHER MEASURES

CUSTOMISED RECOVERY INTEREST POSSIBLE

If a taxpayer fails to pay his tax debt on time, he must also pay recovery interest. It has been proposed to broaden the possibilities for the inspector not to charge recovery interest if the late payment is not due to the taxpayer. This plays out, for example, if a provisional income tax assessment 2022 does not take into account developments around box 3. The collection of this assessment is then halted. Despite the fact that no payment is required, the Tax Authorities still charge collection interest in this case. Thanks to the extension, this is no longer necessary.

INCREASE IN CHILD BUDGET

The cabinet wants to increase the child-related budget, on top of the annual inflation adjustment, targeting parents with an increased poverty risk. The cabinet proposes three adjustments. The maximum amount from the third child and onwards will be increased by € 468 per year. In addition, all child amounts will be increased proportionally by € 356. Finally, the single parent cap will be temporarily increased by € 356.

ABOLITION OF INCOME SUPPORT FOR STATE PENSION

The minimum wage goes up by 8.05%, in addition to the regular indexation. This increase will also affect all linked schemes, including the state pension. With this already supporting the purchasing power of AOW recipients, the government has opted to reduce and then abolish the Supplementary Income Support AOW by 1 January 2025. The Supplementary Income Support for the Elderly (AIO), however, will remain in place. The AIO is a household-level benefit that supplements income up to the social minimum.

COMPENSATION FOR HIGH ENERGY PRICES

The government plans to introduce a maximum tariff for electricity and/or gas up to a certain usage. It also plans to help energy-intensive SMEs with liquidity strengthening and sustainability.

MEASURES DUE TO HIGH ENERGY PRICES

The government is taking some incidental measures for 2023 due to high energy prices. A few (tariff) adjustments will dampen the increase in energy bills for households. These include a one-off reduction in the energy tax for natural gas and electricity and a temporary higher tax rebate in the energy tax. In addition, some simplifications will be made to the energy tax levy. The ODE (Sustainable Energy and Climate Transition Storage) tariffs will be set at zero as of 1 January 2023, and the energy tax will be increased by the same amount as of that date. ODE charges will thus disappear from the energy bill.

TIGHTENING CO2 TAX ON INDUSTRY

The CO2 tax industry is being tightened up. This mainly concerns dispensation rights. The rate remains unchanged for now.

MINIMUM CO2-PRICE INDUSTRY

The government is introducing a minimum CO2 price as part of the existing industry CO2 tax for industrial plant operators. The minimum CO2 price will also apply to waste incineration and nitrous oxide plants. This measure ensures that a minimum price will apply on that part of the emissions exempted under the regular industry CO2 tax based on dispensation rights. In addition, a relatively high minimum price will continue to apply to those emissions for which a company has no dispensation rights. This maintains an

incentive to reduce emissions above the industry emission reduction target.

REPORTING REQUIREMENT CBAM SECTOR

Under the European Climate Law, a carbon tax is expected to be introduced at the European external border from 1 January 2026. For importers importing goods from the CBAM sectors (steel/iron, cement, fertiliser, aluminium and electricity) from outside the EU, a reporting requirement will be introduced in the transition period from 1 January 2023 to 31 December 2025.

Note

During 2022, it will become clear whether the reporting requirement will indeed apply from 1 January 2023.

PREVIOUSLY SUBMITTED LEGISLATION, INCLUDING:

- The payment discount will be abolished only for provisional corporate tax assessments. The payment discount for provisional income tax assessments will remain.
- It regulates that if an additional tax assessment has been issued in accordance with a request to issue such an additional tax assessment, the period for which tax interest is charged will end no later than 10 weeks from the date of receipt of that request.
- A provision has been proposed that would allow tailoring by granting a reduction in tax interest in certain situations where the tax interest system is too harsh.
- A measure has been proposed that would discourage borrowing from a BV by a substantial interest shareholder. If total debts owed to the BV (excluding owner-occupied housing debts) exceed € 700,000, the excess will be taxed as a benefit in Box 2 of income tax. Meanwhile, the proposal has been approved by the Lower house.



HANDLING SCHEDULE LOWER HOUSE TAX PLAN PACKAGE 2023

The Standing Committee on Finance has set the discussion schedule for the Tax Plan 2023 package as follows:

- Budget Day: Tuesday 20 September 2022
- Technical briefing Ministry of Finance/taxation officials: Monday 26 September 2022
- Input report: Monday 3 October 2022
- Note following the report: Wednesday 12 October 2022
- First legislative consultation (first term Chamber): Monday 17 October 2022
- Written answers to part questions first legislative consultation: Friday 21 October 2022
- Second legislative consultation (first term government and second term): Monday 31 October 2022 (last day of autumn recess)
- Plenary debate in two parts: Tuesday 8 and Wednesday 9 November 2022
- Letter from the government assessing motions and amendments: Thursday 10 November 2022
- Voting time: Thursday 10 November 2022

