



# Mobility: Tax alert

May 2022

## The Netherlands

### Cap for 30%-facility announced

#### Executive summary

On 20 May 2022, the Netherlands published its 'Spring Memorandum' with budget adjustments for the current year and a preview for future years.

Amongst many other measures, it was announced that the 30%-facility will in future only apply up to a maximum salary (currently no cap applies). Transitional rules will be available for a limited period.

#### Background: the 30%-facility in short

Expatriates sent to work in the Netherlands or individuals hired from abroad by a Dutch employer, may qualify for a special tax facility: the 30%-facility. This facility provides special tax benefits to employees with specific expertise who are recruited from abroad and is available for a maximum period of five years subject to certain conditions.

Where the 30%-facility applies, up to 30% of the Dutch taxable current employment income can be paid as a tax-free allowance to cover living costs. Currently, no maximum allowance applies.

#### Spring Memorandum

In the Spring Memorandum, the Minister of Finance set out central government's income and expenditure forecast. In particular, it was stressed that there has been, and continues to be, unprecedented pressure on public finances that require additional funding.

The Memorandum includes a short paragraph regarding the 30%-facility confirming that it will apply up to a maximum threshold in the (semi) public sector (€216,000 in 2022).

If accepted by Parliament, this would mean that the maximum tax-free allowance would be €64,800 (based on the 2022 figure). Any income in excess of €216,000 will not qualify for any additional tax-free allowance.

It was further announced that transitional rules would be introduced for a period of 3 years.

No further details are currently available, but are expected on Budget Day, 20 September 2022.

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