Tax Alert | Dutch government publishes Tax Package 2027

17 September 2026

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Introduction

On 15 September 2026 the Dutch minority coalition government presented Dutch parliament with a series of legislative proposals forming the 2027 Tax Plan package. Several of these measures were already flagged in the Coalition Agreement and in the Strategic Agenda published earlier this year.

Four separate bills together make up the package: (i) the 2027 Tax Plan itself; (ii) the Miscellaneous Fiscal Measures Act 2027 (OFM 2027); (iii) the Safe Harbour Rules under the Minimum Tax Act 2024; and (iv) the Fiscal Incentives for Start-ups and Scale-ups Act.

Because the coalition lacks a majority in parliament, it should be expected that the package will still be adjusted as the legislative process unfolds. The sections below set out the key items what is being proposed. Unless indicated otherwise, the measures are due to enter into force on 1 January 2027.

Corporate income tax

Foreign exchange results on hedging instruments under the participation exemption

Under the 2027 Tax Plan, new statutory provisions will govern how foreign exchange (forex) results are treated on instruments used to hedge currency risk on participations that qualify for the participation exemption. This is a direct response to a Supreme Court ruling on the deductibility of liquidation losses, and is designed to address the associated impact on the budget.

A key distinction is drawn between the ‘priced-in’ and ‘unpriced’ portions of forex results on hedging instruments. The priced-in portion is already built into the pricing of the hedge at the time it is entered into - think of the interest-rate gap between a foreign-currency loan and its euro equivalent, or the spread between the spot and forward rate on a forward contract. The unpriced portion, by contrast, reflects the gap between the currency movement that was expected at the outset and what actually happens by the time the instrument settles. As a result, the priced-in portion will fall outside the participation exemption and become taxable, while the unpriced portion can still benefit from the exemption if the taxpayer elects for this.

Innovation box lump-sum regime

From 1 January 2027, the lump-sum threshold under the innovation box will go up from EUR 25,000 to EUR 100,000. Profit derived from qualifying self-developed intangible assets continues to benefit from the innovation box’s effective 9% rate, and the higher threshold makes this easier for smaller businesses to access.

Non-business purpose presumption in the business merger and demerger facilities

The Supreme Court recently found that the assumption of a non-business motive built into the corporate income tax facilities for business mergers and legal demergers does not sit well with the EU Merger Directive. As matters currently stand, a transaction is presumed to lack a valid business purpose if the ultimate beneficial ownership of either the taxpayer or the target changes within three years before or after the transaction takes place.

The Miscellaneous Fiscal Measures Act 2027 responds to this by removing the presumption entirely, shifting the burden onto the tax authorities to show that a transaction lacks a valid business purpose.

Scrapping the presumption puts Dutch practice back in step with EU law and shifts the burden of proof onto the tax authorities, who will now need to make the case themselves that a transaction lacks a valid business purpose - which should give companies more certainty when restructuring.

Earnings-stripping measure for housing associations

From 1 January 2028, housing associations are set to be carved out of the interest deduction limitation under the ATAD earnings-stripping rules. These rules were originally aimed at multinationals shifting profits to low-tax jurisdictions, yet they currently also catch housing associations. The sector has consistently argued that applying them in this context is disproportionate, given the public function housing corporations serve.

Dividend tax

Dividend tax refund scheme for dutch underlying investors in foreign investment fund

Following a Supreme Court ruling, the OFM 2027 sets up a refund mechanism for Dutch investors who hold interests in foreign investment funds. This closes the gap between these investors and those investing through Dutch fiscal investment institutions (fiscale beleggingsinstellingen), who can already pass dividend tax credits through to their own investors.

This refund mechanism follows directly from EU law requirements triggered by the Supreme Court's decision. Investors with holdings in foreign investment funds would do well to check whether they can claim a refund under the new scheme.

Personal income tax

Acquisition price upon a company's transfer of seat to the netherlands

Where a company relocates its seat to the Netherlands, the OFM 2027 clarifies how the acquisition price is set for shares held by a substantial interest holder: it will be the fair market value at the moment of relocation, confirming the approach already taken for Dutch Box 2 purposes. This gives substantial interest holders more certainty when their company moves to the Netherlands, and keeps gains built up before the move outside the reach of Dutch Box 2 tax.

Proposed amendments to the future box 3 system

Work is also under way on changes to the Box 3 actual-return system, though these will be addressed in separate legislation and fall outside the current Budget Day package. Under consideration are:

- lowering the Box 3 rate from 36% to 35%;
- raising the tax-free return threshold from EUR 1,800 to EUR 1,900;
- allowing negative returns to be carried back one year; and
- continued work on a capital gains tax model for certain asset categories.

The goal behind these changes is a more workable and proportionate Box 3 system, due to launch in 2028. The lower rate and higher threshold would benefit taxpayers, but switching to an actual-return system is a significant administrative undertaking. It is worth keeping an eye on how this separate legislative track develops.

Statutory definition of start-ups and scale-ups

A statutory definition of 'start-up' and 'scale-up' is being introduced through the Fiscal Incentives for Start-ups and Scale-ups Act, to be used both for the new employee share option regime and the upcoming Box 3 actual-return system. To qualify, a company must run a scalable and repeatable business model based on innovation, must not be listed on a regulated market, and no more than 25% of its shares may be held by a listed entity. This definition applies from 1 January 2027.

Employee share options for start-ups and scale-ups

The same Act sets up a dedicated tax regime for employee share options issued by qualifying start-ups and scale-ups, with the following key features:

- Deferred taxation - taxation shifts from the point the shares acquired on exercise become tradeable to the point they are actually sold, although employees can choose to be taxed sooner.

- Reduced tax base - only 65% of the gain made on sale, after deducting the exercise price, counts towards the wage tax base, bringing the effective wage tax rate to around 32%.

- RVO certification - employers must hold a valid RVO decision confirming their start-up or scale-up status. Such a decision runs for eight years and can be renewed up to three times for five years each, allowing for a maximum qualifying period of 23 years.

- State aid approval - because the regime constitutes State aid under Article 107(1) TFEU, it needs prior European Commission clearance, and its planned entry into force on 1 January 2027 hinges on that clearance being granted.

- Transitional application - the regime is intended, subject to transitional rules, to apply retroactively to share options granted from 17 April 2025 onwards, provided no wage tax has been charged on them by 31 December 2026.

- Parent company options - the 65% base reduction also covers share options that a parent company grants to employees of a Dutch start-up or scale-up, provided both the subsidiary and the parent hold an RVO decision.

- Proportional application - the 65% reduction is limited to the portion of the value increase above the shares' fair market value at grant, applying a 'to the extent' rather than an all-or-nothing approach.

- Two-year holding period - the two-year restriction is now measured from grant to sale of the shares, rather than from grant to exercise of the option.

- Depositary receipts - the regime also covers participation rights that are broadly comparable to shares, including options on depositary receipts.

- Employees with a substantial interest or a lucrative interest fall outside the scope of the regime.

Real estate transfer tax

Reduction of the general rett rate for non-owner-occupied residential property

From 1 January 2027, the standard real estate transfer tax (RETT) rate for residential property acquisitions that do not qualify for the reduced 2% owner-occupier rate is set to drop from 8% to 7%. This lower rate will cover all non-owner-occupied residential property, including buy-to-let and other investment property.

Rett exemption for transfers of social housing stock (daeb dwellings)

A new RETT exemption is also proposed for transfers of dwellings within the public housing remit (DAEB dwellings) between housing associations. It is intended to smooth transfers of social housing stock carried out to meet solidarity obligations under the National Performance Agreements 2025-2033, taking away a tax hurdle that currently applies to such transfers.

Pillar two and the minimum tax act 2024

A separate bill on the Safe Harbour Rules under the Minimum Tax Act 2024 implements four Pillar Two safe harbours agreed internationally as part of the OECD/Inclusive Framework's Side-by-Side package: the simplified effective tax rate (SETR) safe harbour, the qualified domestic minimum top-up tax (QDMTT) safe harbour, and safe harbours based on qualified financial statements. These are meant to ease the compliance burden for multinational groups and will have retroactive effect for specified reporting years.

Other measures

A number of other measures feature in the 2027 Tax Plan and its accompanying bills, the most significant of which are set out below:

- Limited application of the table correction factor: consistent with the coalition agreement, the yearly inflation adjustment applied to tax brackets and thresholds will only be partially applied in 2027 and 2028.
- Phasing out of the starter's deduction: self-employed entrepreneurs will see the starter's deduction fall from EUR 2,123 to EUR 10 in 2027, before it disappears altogether in 2028.
- Increase of the tax-free travel allowance: the allowance will go up to EUR 0.25 per kilometre, applied retroactively from 1 January 2026.
- Pseudo-final levy on employer-provided fossil-fuel vehicles: starting in 2027, employer-provided fossil-fuel vehicles will attract a pseudo-final levy, subject to transitional and anti-cumulation rules.
- Increase of the energy investment deduction (EIA): the EIA deduction rate rises from 40% to 45.5% from 1 January 2027, as part of the energy shock package.
- Abolition of the forestry exemption: the exemption currently shielding forestry profits from income tax and corporate income tax will be withdrawn from 1 January 2029.
- Phasing out of the co-working spouse deduction and cessation-of-business deduction: both deductions will be cut by 75% from 2027 and abolished entirely from 2030, with the proceeds used to help fund the start-up and scale-up incentives.

Next steps

The House of Representatives and the Senate will debate the 2027 Tax Plan and the related bills over the months ahead. Given that the cabinet does not hold a parliamentary majority, further changes to the proposals cannot be excluded as the legislative process continues.

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