

# GMS Flash Alert



2023-186 | September 29, 2023

## Netherlands - 2024 Tax Plan Package Presented

On Budget Day, 19 September 2023, the caretaker government in the Netherlands presented the 2024 Tax Plan package to the Lower House of Parliament (*Tweede Kamer der Staten-Generaal*).<sup>1</sup>

KPMG Meijburg & Co. has published an analysis of the 2024 Tax Plan Package – see: "[Budget Day 2023: changes to payroll taxes and labour market developments](#)" (20 September 2023) – highlighting (amongst other measures) the most significant changes proposed for payroll tax and social security contributions. Furthermore, some of the changes that have already been adopted and several labour market developments are addressed.

One of the changes that is already adopted but will take effect as from 1 January 2024, is the maximum introduced for the 30% ruling. As of 2024, the 30% ruling may not be applied on employment income exceeding the WNT-norm, which is €233,000 in 2024. The tax-free allowance 30% ruling therefore is capped at €69,900. (For prior coverage, see [GMS Flash Alert 2022-170](#), 22 September 2022.)

---

### WHY THIS MATTERS

The proposals are intended to take effect on 1 January 2024, unless another date is explicitly stated. The changes may impact the Dutch income tax liability of employees, employer obligations and administration, and, potentially, the employer's assignment-related costs.

With regards to the 30% ruling, the effect is that the top income tax rate will increase from 34.65% to 49.5% to the extent that an individual's employment income exceeds €233,000, which may have a considerable negative impact on the assignee's tax burden or the employer's costs if the assignee is tax equalised.

The specific impact of the Tax Plan's measures will depend on each taxpayer's particular set of circumstances.

---

## Background and Next Steps

Every year at Budget Day (3<sup>rd</sup> Tuesday in September), the Dutch government presents its tax plans for the coming year. In the following months, the Dutch Parliament discusses the plans, adjustments can be proposed, and then both the Lower as well as the Upper House of Parliament must vote before the changes will take effect. After adoption of the legislative proposals by the Houses of Parliament, the final proposal is published in the Government Gazette ("Staatscourant"). This is expected for the end of December. (For coverage of last year's budget, see [GMS Flash Alert 2022-170](#), 22 September 2022.)

---

## MEIJBURG & CO. INSIGHTS

It is essential to get in front of the changes described in this newsletter and to communicate quickly and clearly with key stakeholders, so that they can properly plan, budget, and make any necessary adjustments.

It is important to understand the changes and their impact on your business and your assignees subject to Dutch tax law, so that expectations can be appropriately set and proper compliance achieved. Affected parties may wish to contact their usual qualified tax professional; alternatively they may contact a member of the GMS tax team with Meijburg & Co. in The Netherlands (see the Contacts section).

---

## FOOTNOTE:

1 *Belastingplan 2024* and *Memorie van Toelichting Belastingplan 2024* published on 19 September 2023. For more information in Dutch and related links, click [here](#).

For further information, see the government's news item (in English) "[2024 Tax Plan: essential steps for society and for the tax system](#)."

\* \* \* \*

## Contact us

For additional information or assistance, please contact your local GMS or People Services professional or one of the following professionals with the KPMG International member firm in the Netherlands:



### Sandy Govers

#### Senior manager

Tel. +31 (0)88 90 93416

[govers.sandy@kpmg.com](mailto:govers.sandy@kpmg.com)

**The information contained in this newsletter was submitted by the KPMG International member firm in the Netherlands.**

© 2023 Meijburg & Co is een Nederlandse maatschap van besloten vennootschappen, staat ingeschreven in het Handelsregister onder nummer 53753348 en is aangesloten bij de wereldwijde KPMG organisatie van onafhankelijke entiteiten verbonden aan KPMG International Limited, een Engelse private company limited by guarantee. Alle rechten voorbehouden.

[www.kpmg.com](http://www.kpmg.com)

[kpmg.com/socialmedia](http://kpmg.com/socialmedia)



© 2023 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG LLP is the U.S. firm of the KPMG global organization of independent professional services firms providing Audit, Tax and Advisory services. The KPMG global organization operates in 147 countries and territories and has more than 219,000 people working in member firms around the world.

Each KPMG firm is a legally distinct and separate entity and describes itself as such. KPMG International Limited is a private English company limited by guarantee. KPMG International Limited and its related entities do not provide services to clients.

GMS Flash Alert is a publication of the KPMG LLP Washington National Tax practice.