

GMS Flash Alert



2023-249 | December 20, 2023

Netherlands - Parliament Votes on 2024 Tax Plan, Scaling Back 30% Ruling

The Upper House of Parliament has adopted the Dutch government's 2024 Tax Plan Package, which means it has also approved the further scaling back of the 30% ruling.¹ However, the outgoing Deputy Minister of Finance has promised to present alternatives for (amongst others) scaling back the 30% ruling, by May 2024.² This will likely impact the 2025 Tax Plan Package.

(For prior coverage, see [GMS Flash Alert 2023-203](#), 2 November 2023.)

These developments are partly dependent on the formation of a new coalition government.

WHY THIS MATTERS

With the plan to scale back the 30% ruling even further, this means that, in future, the benefit to expatriate employees will be much reduced over the course of time. The result will be a higher tax burden with respect to the expatriate taxpayer's employment income, as well as personal income, as compared to their counterparts who had been able to benefit from the 30% ruling throughout the five years that they were eligible to claim it. It also could mean higher assignment costs for employers.

In Brief: Update

Based on the currently adopted scaled-back measures, the 30% ruling will be scaled back to 10% over the course of five years.

The partial foreign taxpayer status will also be abolished.

However, transitional rules will apply to both these measures.

(For more details on these measures, please see our earlier [report](#).)

MEIJBURG & CO. INSIGHTS

These developments are partly dependent on the formation of a new coalition government. Therefore, it is uncertain at this point to what extent the scaling back of the 30% ruling will actually take effect. Nevertheless, in limited cases, it can already have an impact in 2024.

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).

FOOTNOTES:

1 See Tweede Kamer, "[Pakket Belastingplan 2024](#)."

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

2 See Eerste Kamer, "[Pakket Belastingplan 2024 grotendeels aangenomen](#)."

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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:



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