

COALITION AGREEMENT 2021-2025 TAX SUMMARY

'Looking out for one another, looking forward to the future'

Just now [15 december 2021, 14:00] the Office of spokesperson cabinet formation has published the Coalition Agreement for the upcoming government term [\[Link\]](#). This is our fiscal summary.



Work

1. Tax relief of € 3 billion on labor.
2. Wide-ranging reform of the Labor Market; better social security and lower taxes for low- and middle-income earners, with rewarding employer and entrepreneurship.
3. Reduce differences Fixed and Flex: stronger regulation of flex contracts with (in return) the budget neutral introduction of a Part Time Unemployment Insurance scheme.
4. Clarity for the self-employed with further [development of the web module](#).
5. Introduction [mandatory?] disability insurance for all self-employed.
6. Reduction of the self-employed deduction to € 1,200 in 2030, increase of the general working tax credit.
7. Reduction of the self-employed deduction to € 1,200 in 2030, increase of the general working tax credit.
8. Reduction of the poverty trap by increasing the minimum wage [7.5%].



Entrepreneurship

1. The business community and business climate will be strengthened by [1] commitment to good staff, [2] predictable regulations, and [3] European level playing field.
2. The Cabinet presents solutions for problematic Corona debts.
3. Top sector policy will be continued and [Startups and Scaleups](#) will receive [additional] support through Ecosystems and, among other things, strategic procurement.
4. Policy around the Digital Economy is strengthened - investing in key technologies like Quantum, Chips and AI.
5. The [Business Succession](#) Scheme is retained, simplified and improved.
6. A National Growth Fund is established for [Innovation and Research](#).
7. Introduction of the Societal Limited Company [reporting requirements].
8. Introduction of a Fund for 'Untied R&D' [€5bn in 10 years].



International

1. Commit to a leading role within the EU in combating tax evasion and in (tax) promoting greening.
2. Commit to European introduction of Digital Service Tax, Airline Tax, CO2 (border) tax and Minimum Vpb rate.
3. Pursuing an active trade policy and 'Green Industry Policy' with a strong role for trade and investment treaties.



Legislation & Governance

1. Introduction of Legal Hardship Clauses.
2. Introduction of Tax Legal Aid based on the American Taxpayer Advocate Service [helps taxpayers and makes suggestions for better legislation].
3. Design of a system by which Decentralized Governments post-2025 can levy (more) resources themselves; "Alternatives to OZB and MRB".
4. Elaborate Constitutional Review.
5. Reduce Regulatory Burden by making SMEs the benchmark for feasibility tests [easier labor law, better financing, targeted support].



Climate Transition & Burden Shifting

1. Introduction of a Climate Transition Fund [€35bn in 10 years] with the goal of 55% reduction by 2030, climate neutrality by 2050.
2. Increase national carbon tax [\[ETS-Mechanism\]](#). Surplus revenue flows back into climate fund.



Mobiliteit & Vergroening

1. Introduction of an [EU] Tax on Kerosene.
2. Introduction of an [EU] tax on Aviation [shifting consumer preference to train within the EU].
3. Road pricing and only zero-emission new cars starting in 2030.
4. Increase the air ticket tax, use surplus revenue to make aviation more sustainable and improve the living environment.
5. Working from home and sustainable mobility are encouraged.



Personal & Family Life

1. Removal of the Allowance System and simplify Tax System;
2. 'Free' Child Care; 95% reimbursement for working parents.
3. Broad, 70% paid parental leave.
4. Reintroduction of the Basic Scholarship per academic year 2023-2024 plus income-dependent supplementary scholarship.
5. Introduction of a Sugar Tax, 0% VAT on Fruits and Vegetables.



Housing market

1. Abolishment of 'Jubelton'.
2. Abolishment of Landlord's Levy
3. Introducing Rental Permit and Protecting Middle Rentals.

Item	quote	Page (Pdf)
Reduce Taxes	"[...] the targeted reduction of taxes and investment in our future prosperity through education and innovation and a good business climate for entrepreneurs and companies	2
Introduction of legal hardship clauses	We assess laws for simplicity, human scale and implementation and improve where necessary. People who unintentionally make a mistake must not be immediately labelled as fraudulent. In the implementation, there must be room to deviate if the consequences for people are disproportionately large. Where possible, professionals in the implementation will be given more decision space. We will include hardship clauses for this in the law.	4
Introduction to Tax Legal Aid	There will be a low-threshold, independent tax legal aid service modelled on the U.S. Taxpayers Advocate Service.	4
Designing a system that will allow local governments to raise funds post 2025	In order to achieve more stable financing for the local authorities and to increase their autonomy, a new financing system for the period after 2025 will be worked out in the coming years, which will include the possibility of a larger own tax area. This will also include alternatives to the OZB and MRB. In the current government's term of office, the financing of the local authorities will largely be shaped by the accrual system.	5
Elaborating Constitutional Review	We will take up the elaboration of constitutional review, in line with the advice of the State Commission on the Parliamentary System, looking at what design best suits the Dutch legal system.	5
Climate Transition Fund	[The goal is to be climate neutral by 2050, and to have achieved 55% reduction by 2030. To this end, there will be a Minister of Climate and Energy, and:] - A climate and transition fund of €35 billion for the next 10 years, in addition to the current Sustainable Energy Subsidy Scheme (SDE++), will help to build the necessary energy infrastructure (electricity, heat, hydrogen and CO2), to implement the green industrial policy and to make mobility and the built environment more sustainable.	9
Increase national CO2 tax [ETS mechanism].	The incentives for sustainability are strengthened by increasing the marginal levy on top of the price in the European Emissions Trading System (ETS). To create certainty, a rising floor price for the ETS price will be introduced, preferably in consultation with our neighbouring countries. Any financial surplus revenue from the marginal levy and the rising floor price will flow back into the climate fund for companies to make their operations more sustainable.	10
financial incentives for fossil fuels	We are investigating the possibilities of phasing out financial incentives for fossil fuels, and then ending the financial incentives for these fuels wherever possible. We are doing this as much as possible with other countries, with an eye to our business climate.	11
Encourage clean mobility and working from home.	We continue to invest in clean mobility because of the climate, but also for the improvement of air quality in the cities. Electric transport is stimulated; also the second-hand market. Over-stimulation is avoided. Sustainable urban logistics and freight traffic are also supported. The rollout of charging infrastructure is accelerated. Blending of sustainable biofuels is encouraged. - We make agreements with businesses and governments to encourage working from home.	12
EU Tax on Kerosene	We support the European Commission's proposals for a kerosene tax at the EU level. We also support the proposals on the greening of shipping. The Dutch aim is to prevent carbon leakage as much as possible. The availability of shore-based power for ships will be further expanded.	13

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Road pricing (and all cars zero-emission by 2030)	The aim is for all new cars to be emission-free by 2030 at the latest. In 2030, we will introduce a system of Pay as You Go system for all automobility and enact legislation during this government's term of office. The system is based on the vehicle tax, the rate of which is made dependent on the annual number of kilometers driven. The levy is not time- and place-dependent and replaces the then existing toll tracks, such as the Westerscheldetunnel, the Kiltunnel and the planned extended A15. This means that users of electric and fossil cars will both be paying for their road use.	13
Increase in Airline Ticket Tax	We continue to implement the proposals for sustainability from the Aviation Policy Document 2020-2050 "Flying responsibly to 2050" (2020), including emission caps per airport. We will increase the air ticket tax, with the proceeds being used in part to make aviation more sustainable and reduce environmental impact.	13
EU Tax on Aviation	We will continue to implement the sustainability proposals from the Aviation Policy Document 2020-2050 "Flying Responsibly to 2050" (2020), including emission caps per airport. We will increase the tax on airline tickets, with the proceeds being used in part to make aviation more sustainable and reduce its environmental impact.	15
Abolishment of Landlord's Levy	The landlord levy will be abolished. We will enter into binding performance agreements with housing associations so that the resulting investment capacity is used for the construction of flexible housing, affordable rental housing, redevelopment, sustainability and quality of life in the neighborhoods. Housing authorities receive project support as needed. Housing authorities pool this support based on the value of their housing stock.	15
Introduction of rental permit and protection Middle Rent	With the introduction of a reporting obligation, registration obligation or rental permit, especially for the larger landlords, we give municipalities the opportunity to tackle discrimination and abusive landlords in a more targeted way.	17
Abolishment of Jubelton	The expanded gift exemption for owner-occupied homes will be eliminated.	17
Tackling Crime (Al Capone Measure?)	The earning model of criminals is tackled harder by intensifying the hunt for criminal money, for example with the possibility of confiscating criminal assets when a conviction is not possible. We seize criminal assets and give greater priority to financial investigation and intelligence to disrupt money flows. Confiscated money or confiscated goods, such as those belonging to people who cannot explain (the origin of) the possession of valuable goods (for tax purposes), are put to public use as much as possible, especially in the neighborhoods that suffer most from crime.	20
Reintroduction of Basic Scholarship	We make studying accessible for all, regardless of their parents' income. We therefore introduce a basic grant for all students and a means-tested supplementary grant per academic year 2023/2024. We pay attention to the feasibility and enforceability. We will leave the OV student card, the current loan conditions and the investments from the study advance untouched.	24
Introduction of Fund for Untied R&D	We are moving towards a knowledge economy in which we invest in free and untied research and development, in line with the Lisbon objective. One way in which we are doing this is by setting up a fund in which we will invest a total of €5 billion over 10 years. We are increasing the predictability of funding by removing the perverse incentive for higher enrolment, revising and increasing the fixed base, and achieving a better balance between first and second-stream funding. This will provide more room to address workload, offer permanent contracts, and maintain a balanced supply in shrinking regions.	24
Reforming the labor market	We therefore want to implement a number of major reforms in the labor market that strengthen the livelihood security of low- and middle-income earners and reduce the burden. This will ensure that work pays off, that employment and entrepreneurship remain attractive, that our well-being increases and that staff shortages in vital sectors can be addressed.	26

Item	Quote	Page (Pdf)
Reducing differences between Fixed and Flex	We are reducing the differences between permanent and flex. Too many people in the Netherlands depend on temporary contracts. This creates uncertainty. In line with the SER MLT advisory report, on-call, temporary and fixed-term employment contracts will be better regulated. To increase the internal flexibility and maneuverability of businesses, in consultation with the social partners, a budget-neutral part-time unemployment benefit (deeltijd-WW) is being worked out, with an eye to feasibility and affordability.	26
Clarity for the Self-Employed Plus Reduction of Self-Employed Deduction and Introduction of Disability Insurance	Clarity for the self-employed. Genuine self-employment is supported and entrepreneurship is encouraged. The further development of a web module can contribute to providing self-employed persons with certainty in advance about the nature of the employment relationship. Phantom self-employment will be countered by improved public law enforcement in the event of a presumption of employee status. There will be an occupational disability insurance for all self-employed, which will be designed to prevent unfair competition and excessive income risks for individuals. In doing so, we take into account the preconditions from the pension agreement. The self-employed deduction will be reduced in steps of EUR 650 from 2023 to EUR 1,200 in 2030. The self-employed will be compensated during the government's term through an increase in the employment tax credit.	26
Removal of the Allowance System and simplify Tax System;	Our ambition is to abolish benefits so that people no longer get lost in complicated schemes or have to deal with high clawbacks. We will take the first steps to achieve this during this government's term in office. We also have the ambition to simplify and reform the tax system and are taking the first steps to do so.	26
Reduce poverty trap	We make work more rewarding and reduce the poverty trap. We will introduce a minimum hourly wage based on the 36-hour working week (initiative bill Gijs van Dijk (PvdA) and Maatoug (GroenLinks), (Parliamentary Paper 35335)). We will gradually increase the minimum wage by 7.5% and maintain the link with benefits (except for the AOW) to strengthen the subsistence minimum. We will compensate the elderly through a higher elderly discount.	26
Tax relief on Income (€ 3bn)	In addition, we will provide €3 billion in tax relief, particularly for low- and middle-income earners, working people and families. In doing so, we are striving for a balanced and, on average, positive purchasing power picture for everyone throughout the government's term of office.	26
(Almost) Free Childcare	We are making it more attractive for parents to combine work and care by increasing childcare reimbursement in steps to 95% for working parents. We also work on gender equality in the labor market by extending paid parental leave to 70% , combating pregnancy discrimination and by better monitoring of wage differences. We encourage labor force participation, more hours or days of work in the week, and proportional representation of women in leadership positions.	27
Broader paid parental leave	We are making it more attractive for parents to combine work and care by increasing childcare reimbursement in steps to 95% for working parents. We also work on gender equality in the labor market by extending paid parental leave to 70% , combating pregnancy discrimination and by better monitoring of wage differences. We encourage labor force participation, more hours or days of work in the week and proportional representation of women in leadership positions.	27
Resolving corona-related problematic debts for companies.	Companies are emerging from a tough period due to the corona crisis and, unfortunately, the end does not seem to be in sight. Where financially sound companies are unable to move forward due to corona, the government is making an effort to reach solutions	31

Item	Quote	Page (Pdf)
Reduce regulatory burden with SME entrepreneur as benchmark in feasibility tests.	For this coalition, SMEs are important. The growth and innovative capacity of SME entrepreneurs and companies is strengthened, and entrepreneurship is stimulated. This means a measurable approach to regulatory pressure, whereby we use the SME test in legislation to check whether rules are feasible for an SME entrepreneur. It also means making it easier to hire and retain people, removing unnecessary obstacles to financing, closing the financing gap, support for digitization and sustainability, a better position for entrepreneurs in bankruptcy law and a more strategic use of public procurement.	31
Introducing National Growth Fund	We are continuing the National Growth Fund through investments in projects focused on knowledge development, research, development and innovation. In this way, we are strengthening our earning capacity and increasing our economic growth in the longer term.	31
Strengthen Business and Establishment Climate (protection of takeovers, predictable rules)	We strengthen the business community and the business climate and stimulate a leading manufacturing industry with a clear strategy. We do this by providing well-trained personnel and addressing the shortage of technically and practically trained workers. By offering a stable and predictable business climate. And by striving for a level playing field and offering protection against unfair competition from outside Europe. Conversely, we ask companies to do their fair share and take people and the environment into account. We strive for strategic independence through the production of crucial products in Europe and by protecting vital processes and preventing undesired control in vital companies.	31
Retain Business Succession Scheme	The continuity of family businesses is supported by making (real) business succession simpler and fairer. At the same time, improper use of the scheme is prevented.	32
Continue Top Scoring Policy and support Startups and Scaleups through Ecosystems.	We are moving towards a knowledge economy whereby, in line with the Lisbon objective, we are investing in research and development. We strengthen the basis of our knowledge institutions and innovative ecosystems, such as the space cluster at ESTEC, and encourage them to cooperate within the region and internationally. We support innovative 'startups' and 'scale-ups' and focus mission-driven innovation policy on the three major transitions: climate and energy, digitization and key technologies, and the circular economy	32
Introducing Social BV	In order to maintain a fair playing field, social entrepreneurship will be facilitated by the introduction of the Maatschappelijke B.V. There will also be one clear framework for social entrepreneurship with reporting requirements, and with an amended proposal for sustainability initiatives, the government will allow an exception to the Competition Act.	32
Intensifying policy around Digital Technology and - Economy	Science, business, 'startups', 'scale-ups', knowledge coalitions and government are joining forces to capitalize on the opportunities that digital technology offers. We stimulate innovation and invest in chips and key technologies such as artificial intelligence and quantum computing. We tackle (in a European context) the market power and data power of large tech and platform companies to improve the competitive position of companies and the privacy of citizens.	33
Sugar tax and 0% VAT on Fruit and Vegetables	We raise taxes on sugary drinks and we increase excise taxes on tobacco. We make binding agreements with the industry on healthier food. We consider how we can eventually introduce a sugar tax and reduce the VAT on fruit and vegetables to 0%.	36
Active Trade Policy with Treaties	The Netherlands pursues an active trade policy, with trade and investment treaties (such as CETA) being a key instrument. In these treaties, we are committed to high standards of fair production, human rights, food safety, sustainable growth and climate.	42
Shift tax burden to pollution and unhealthy choices + enforcement companies (?)	The coalition increases taxes aimed at promoting healthy lifestyles, greening, and combating tax evasion and reduces them in a targeted manner, particularly for low- and middle-income earners, working people, and families	47



HELPING YOU,
YOUR BUSINESS
AND YOUR FAMILY
MOVE FORWARD