

Tax Benefits

Claiming Study Expenses for a Tax Refund – for Dutch and foreign DSF graduates with a taxable income who are tax residents of the Netherlands

If you have used all or some of your own finances to pay for your degree and have secured a job in the Netherlands (i.e. you become a tax paying resident of the Netherlands), then you can reclaim a portion of those expenses from the Dutch tax office ('Belastingdienst'). The costs which can be claimed include costs paid for tuition, school books and a computer.

The conditions for claiming a refund of some study expenses are:

1. As said above, you are a tax resident of the Netherlands (when you obtain employment with, and receive a taxable income from, a Dutch company/organisation);
2. The course of study is (was) intended to improve your future professional position or work opportunities;
3. You have already paid the fees;
4. The educational expenditure you declare is over € 500 and not more than € 15.000 per year.
5. You are 18 or older and not more than 30 years old.

If you secure employment outside of the Netherlands, but are a tax resident of the Netherlands (i.e. you pay taxes in the Netherlands), you can still qualify for the tax refund of your study costs.

On a final point, if the deduction of your study costs results in a negative taxable income, then you can apply the deduction to another tax year where you had a positive taxable income; up to 3 years in the past and until 9 years in the future.

30% Tax Ruling for Expats

"The 30% reimbursement ruling (the 30% ruling) is a tax advantage for foreign employees working in the Netherlands. When a number of conditions are met, the employer can grant a tax free allowance amounting to a maximum of 30% of the gross salary subject to Dutch payroll tax. This tax free allowance is considered compensation for expenses a foreign employee experiences when working outside their home country." (Source: *iAmsterdam*)

****In general, the 30% tax ruling applies primarily to expats who have been hired from abroad to fill a position in a Dutch company/organisation.****

However, there is the small caveat for those who:

Can prove you met all the requirements of the ruling at the time of arrival in the Netherlands. If you can prove this, then you *may* still be able to submit a successful application for the 30 percent ruling. However, your previous stay will be taken off the maximum duration. Your employer must also agree to this. See below.

The requirements for satisfying the 30% ruling are:

1. The employee has to work for an employer due to withholding Dutch wage tax.
2. Employer and employee have agreed in writing that the 30 percent-ruling is applicable.
3. The employee has to be transferred from abroad to a Dutch employer or has to be recruited from abroad by a Dutch employer. **This is addressed above and the exception*

is made for individuals who can prove they satisfied the requirements at the time of arrival in the Netherlands.

4. The employee has to have specific experience or expertise which is not available, or scarcely available in the Netherlands.

Expected Changes to Dutch tax laws relevant to DSF graduates

(Source: Deloitte GES News Flash)

Specific skills test replaced by salary standard

“An expat will only be eligible for the new Dutch 30%-ruling if the gross annual salary exceeds a fixed salary standard. The former specific skills test that included the education level and working experience will be replaced for an alleged fixed annual salary standard. The expectation is that this fixed salary is set at a minimum of at least EUR 50,000.”

Expansion of the new Dutch 30%-ruling

“People who have studied in the Netherlands for a PhD with a Dutch university can normally not apply for the 30%-ruling when they start working for a Dutch company because they were already living in the Netherlands. Because the Dutch government wants these employees to stay in the Netherlands and work for a Dutch company, all foreign people who have lived in the Netherlands to get their PhD will now be able to apply for the Dutch 30%-ruling. The salary standard for these expats will be lower than the regular fixed salary standard for the new 30%-ruling.”

Sources of information:

1. http://www.expatica.com/nl/employment/employment_information/Highly-skilled-migrant-scheme_15973.html
2. <http://www.belastingdienst.nl/>
3. <http://www.ind.nl>
4. <http://www.undutchables.nl>
5. <http://www.iamsterdam.com/en/living/official-matters/thirty-percent-ruling>
6. Deloitte News Flash. 15 September 2011. <http://www.deloitte-tax-news.de/arbeitnehmerentsendung-personal/aktuelles-ausland/files/ges-external-newsflash-the-netherlands-082011.pdf>

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