

Income tax return in the Netherlands and Belgium

For many people, the annual tax return is an annoying task that is often postponed until the last moment. It's not without reason that the motto of the Dutch tax authorities is "We can't make it any more pleasant, but we can make it easier". Unfortunately, tax return remains a complicated matter that raises a large number of questions. Certainly in the cross-border context it is complex since the rules of two countries then have to be combined with each other.

1. The Netherlands

[Click here](#) for an overview of rates and percentages in the Netherlands.

- a. Domestic taxable persons (domestic taxable persons' or income tax (IB) return)
The payroll administration calculates the income tax on the salary and in turn pays this to the tax authorities. In many situations, such income tax deducted at source functions as an advance levy on a possible final levy, paid via the Dutch income tax return. In some cases, the income tax deducted at source is also immediately the final levy as well, making an income tax return unnecessary. If this is the case, the employee in question is required to fill in and file the return him/herself or to do so through a tax adviser.
- b. Non-resident taxpayers (C-biljet)
Non-residents of the Netherlands may be liable for taxation as non-residents (buitenlands belastingplichtig) in the Netherlands, namely where they have a Dutch source of income, for example Dutch wages or salary.

In most cases, this does not necessitate a tax declaration to be made for Dutch income tax, because in most cases Dutch wage or salary income has already been included in the levying of Dutch tax via the employer.

However, in the year in which only a few months of Dutch wages or salary have been received, it may make sense to examine whether it might be advisable to submit a Dutch income tax return. This is because, as a result of the operation of Dutch income taxation with monthly deductions it could be the case that if the calculation for Dutch income tax is made on an annual basis, a refund of Dutch income tax may be applicable.

A degree of wariness is appropriate here, because there is another not unimportant Dutch source of income and that is income from property situated in the Netherlands, including a holiday home located in the Netherlands. You are in any case obliged to file a tax return for this in the Netherlands. If in that case you also enjoy Dutch income from salaried employment, the above calculation may sometimes result in a liability for Dutch income tax.

- c. Instalments

Dutch taxpayers have to have submitted their tax return for Dutch income tax before 1 May, unless a formal request for postponement of submission has been made before that date.

If desired, use may be made for that purpose of the so-called "*beconregeling*" on the basis of which Interfisc Consult BV can formally request postponement of submission for all its clients for which it completes the tax return and after approval can then complete and submit Dutch income tax returns without a chance of fines, etc. on account of late submission, spread over the calendar year, i.e. also after 1 May. This is mostly important for taxpayers with income from abroad, such as salary splitters who quite simply in

practice need more time to collect all the data necessary in order to be able to submit a sound tax return.

In some situations an employee receives an invitation to submit a tax return after 1 May! In this case too this MUST be submitted and then before the final date indicated on the invitation. In this situation, too, postponement may be requested via the *beconregeling*, but in that case also before the indicated submission date.

Every year the fines policy of the Dutch Tax Office is tightened. Fines for late submission may be imposed immediately and amount to at least € 385, so that it is important for you to pay careful attention to the submission period indicated on the tax form.

2. Belgium

a. Domestic taxable persons (income tax return or PB return)

The tax on wages and salaries deducted at source (*bedrijfsvoorheffing*) is calculated and remitted via the salary administration. In many situations the *bedrijfsvoorheffing* acts as an advance levy on a possible final levy, which is settled via the Belgian personal income tax return. In Belgium every employee is obliged to submit a personal income tax return annually, even if the tax office does not send the tax return form automatically. In the latter case the employee is obliged to request one himself/herself.

b. Non-resident taxpayers (Taxation of non-residents of BNI)

Under certain conditions, foreign employees who do not live in Belgium but have worked wholly or partly in Belgium are liable for taxation in Belgium and obliged to submit a tax return (the 'non-resident tax return' or BNI). Only the income from employment that can be related to the work in Belgium is subject to tax.

If the employee has not received a tax return form, he/she is obliged to request this himself/herself from the Belgian tax authorities. If no return is submitted, an assessment can be imposed by the authorities together with an associated tax increase. The same applies if the return is submitted late. We therefore advise employees to request a tax return form and/or to submit the return in good time. Submission of a return is beneficial for many employees, since this frequently results in the return of excessive wage withholding tax.

c. Deadlines

As regards the PB (personal income tax) return various deadlines apply, depending on the specific situation. For individuals who still submit a return on paper, the return deadline with regard to a specific income year expires in principle at the end of June of the following year. If the return is submitted via 'tax on web' (electronically), this deadline will be extended, normally until the middle or end of July.

If the return is submitted via a mandatory (for example Interfisc), a different deadline will apply.

The latest date for submission of the BNI (taxation of non-residents) return is usually set at 30 November of each year. These dates are in principle confirmed by the Ministry of Finance each year and are therefore not definitive.

As an expert in the area of cross-border working, Interfisc offers the possibility of taking care of the income tax returns in the Netherlands and Belgium for your employees who may or may not be working in more than one country. You can direct your tax questions or a request for quotation to consult@interfisc.eu.