

UPDATE - TAX PLAN - BIK

On October 5, 2020, the State Secretary of Finance informed the Parliament about the temporary job-related investment incentive (BIK). In this newsflash we briefly explain the content of this new incentive.







A job related investment incentive will be introduced in the form of a tax credit. This tax credit can be set off against the payment of payroll tax. The BIK gives companies that pay payroll taxes the possibility to reduce this payment with a part of the amount they invest in qualifying business assets. The scheme will apply to investments you make from 1 October 2020 until 31 December 2022. The investments must be paid in full in 2021 or 2022 and must be taken into use no later than 6 months after the last payment has been made.

The BIK will have two brackets in which the tipping point will be an amount of investments, calculated per wage tax withholding agent, in the amount of € 5,000,000. For an investment amount below € 5,000,000, the incentive amounts to 3% of the invested amount. For the amount of investments above € 5,000,000, the incentive will be 2.44% of the invested amount.

There will also be two thresholds. First of all, the total investment per application must be at least € 20,000 and the investment per asset within the application must be at least € 1,500.

In addition, the BIK may be used at the same time as the existing investment deduction possibilities. So, for example, you may claim both the small-scale investment deduction (KIA) and the BIK. See below a number of examples (in Dutch).

Voorbeelden samenloop BIK met de andere investeringsregelingen

INVESTERING	REGELING	EFFECTIEF VOORDEEL	INVESTERING	REGELING	EFFECTIEF VOORDEEL
Machine  € 1.000.000	BIK 3%	3% € 30.000	Elektrische bestelauto  € 75.000	BIK 3% KIA 5,5% MIA 9%	17,5% € 13.142
Vrachtwagens  € 20.000.000	≤ € 5 mln. BIK 3% > € 5 mln. BIK 2,44%	2,58% € 516.000	Normale bestelauto  € 75.000	BIK 3% KIA 5,5%	8,5% € 6.392
Computersysteem  € 20.000	BIK 3% KIA 7%	10% € 2.000	Zonnepanelen voor zonnepark  € 10.000.000	≤ € 5 mln. BIK 3% > € 5 mln. BIK 2,44% EIA 11,25%	13,97% € 1.397.000

For practical reasons, the scheme is kept as simple as possible. The BIK will match the already existing investment deduction possibilities in terms of concepts, access and procedure. For example, an application for the BIK will have to be made to the Rijksdienst voor Ondernemend Nederland. Also, to prevent abuse, the BIK will only apply to new business assets. The first application can be filed as of September 1, 2021. You can submit an application once per quarter.

If you are planning to invest in your company in the coming years or if you have any questions about the BIK please do not hesitate to contact us.

Attention: the scheme described above can still be adjusted because the parliament still has to approve it!

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