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Dutch 30% ruling for expats falls to 27% from 2027

Published 9 October 2026 · The Finance Intellect · Source-based summary

The tax-free allowance for incoming skilled workers drops from 30% to 27% of salary from 2027. It is capped at the public-sector salary norm, EUR 262,000 in 2026.

Country reference

- Country: Netherlands (planned expansion country)
- Authorities: Netherlands Tax Administration (Belastingdienst)
- Topic: Expat facility (30% ruling)
- Key date: 27% from 1 January 2027
- Law: Wage Tax Act 1964 and Implementing Regulations

The changes

- From 1 January 2027 the tax-free allowance falls from 30% to 27% of salary for the rest of the ruling period.
- Since 2024 the allowance is capped by reference to the public-sector salary norm, EUR 262,000 in 2026.
- A transitional rule protects some employees who used the ruling before 2024.
- Partial non-resident status was abolished from 2025; those who used the ruling in 2023 can apply it for 2026 as a final year.

Related 2026 changes

- Extraterritorial cost reimbursements no longer cover private living costs such as utilities.
- Penalties for misclassifying employment relationships apply from 2026.

Why it matters

- Net pay for new hires from abroad falls slightly from 2027.
- Employers may need to adjust offers to stay competitive with other hubs.
- Professionals moving from the Gulf to the Netherlands should factor the lower rate into salary talks.

What to do now

- Payroll: update calculations for 2027.
- HR: review offers and relocation packages.
- Employees: confirm eligibility and remaining ruling period.

Our take

The ruling remains valuable, but each change reduces the edge. Combined with Box 3 uncertainty, relocating senior staff needs a full tax picture.

Sources

- PwC Worldwide Tax Summaries: Netherlands, significant developments (individuals)

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