NETHERLANDS TAX | CORPORATE INCOME TAX · VAT · INNOVATION BOX · COMPLIANCE

Dutch corporate income tax and VAT key facts: 19%, 25.8%, 21% and 9%

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Dutch companies pay 19% on the first EUR 200,000 of profit and 25.8% above, with 9% on qualifying innovation income. VAT is 21%, with 9% for necessities; accommodation moved to 21% in 2026.

Country reference

- Country: Netherlands (planned expansion country)
- Authorities: Ministry of Finance; Netherlands Tax Administration (Belastingdienst)
- Topic: Corporate income tax and VAT
- Key date: Rates for 2026
- Law: Corporate Income Tax Act 1969; VAT Act 1968

Corporate income tax

- 19%: on taxable profit up to EUR 200,000.
- 25.8%: on profit above EUR 200,000.
- Innovation box: qualifying R&D income taxed at an effective 9%; the SME threshold is set to rise to EUR 100,000 from 2027.
- Participation exemption: dividends and gains from qualifying shareholdings are generally exempt; the Tax Plan 2027 changes the treatment of FX hedging results.
- Minimum tax: 15% for groups with revenue of EUR 750 million or more under Pillar Two.

VAT

- 21%: standard rate.
- 9%: certain necessities, some insulation work and e-publications.
- 0%: intra-EU supplies, exports and certain international services; solar panels on or near homes.
- Accommodation moved from 9% to 21% from 2026.
- The Tax Plan 2027 moves ornamental horticulture and hot-air balloon flights to 21% in 2028.

Exempt supplies

Leasing and supply of property after two years of use, medical, cultural, social and educational services, banking and insurance are generally exempt.

What to do now

- Check entities near the EUR 200,000 band for planning.

- Review innovation box eligibility under the new threshold.
- Hospitality businesses: confirm 21% VAT on accommodation is applied.

Our take

The rates are stable. For Gulf groups, the Netherlands is mostly about its treaty network, participation exemption and innovation box, not the headline rate.

Sources

- PwC Worldwide Tax Summaries: Netherlands, taxes on corporate income
- PwC Worldwide Tax Summaries: Netherlands, other taxes
- Rijksoverheid: Tax Plan 2027 proposals

Important. This summary is for general information and is not tax, legal or financial advice. It is based on public Government of the Netherlands publications, together with adviser commentary, and may be incomplete or out of date. The official legislation and guidance prevail; check the official text before acting.

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