

30% Ruling

What is the 30% ruling?

The 30% ruling is a tax advantage for employees from outside the Netherlands. Should you qualify, only 70% instead of 100% of your earned income will be taxed; the other 30% is considered to be a tax-free expense allowance.

The tax break that highly skilled migrants in the Netherlands receive is meant as a reimbursement for the costs incurred when relocating to the Netherlands, such as travel and housing costs. The 30% ruling is coordinated by the Dutch tax office (Belastingdienst).

Conditions 30% ruling

The 30% facility applies to you if you were recruited outside of the Netherlands or seconded from a country other than the Netherlands to work in the Netherlands. Conditions including the following will apply to making use of the 30% facility:

- You have an employment relationship.
You need to be employed by a “Dutch Employer”, i.e. you need to have an employment contract with an employer who deducts Dutch payroll tax.
- You have specific expertise that is not or is only barely available on the Dutch employment market.
You must have a “specific expertise” which is not available or scarce on the Dutch labour market. For the evaluation of whether an entered employee possesses specific expertise, a minimum salary requirement was introduced. This salary requirement replaced the obligation to prove the level of education and relevant work experience. This information may still be relevant though if scarcity has to be proven. The following amounts are applicable:
 - Minimum required taxable salary (70%): **€ 37,296** (which is gross **€ 53,280**).
 - For employees under the age of 30 who have obtained a master degree at a foreign university the minimum required taxable salary (70%) is **€ 28,350** (which is gross **€ 40,500**).
- You have a valid decision.
For entered employees the term of the proof scheme is a maximum of 5 years, starting in the first day of employment by the employer. If you have previously lived or worked in the Netherlands in the past 25 years, the term shall be reduced by the periods of the prior employment and prior stay.
- Of the 2 years before your 1st working day in the Netherlands, you lived outside the Netherlands for more than 16 months, at a distance of more than 150 kilometres from the Dutch border.

Applying for the 30% ruling

Focus Engineering will assist you with the application for the 30% ruling. To obtain this, We (Focus Engineering B.V.) and you should submit an application. Please find the application form attached in the e-mail. The 30% ruling should be applied within four months after starting your contract. If the application is successful, the ruling will then be granted from your starting date onwards.

The application normally takes between 6 to 8 weeks from the moment that all relevant documents have been submitted. During this process you will be taxed under normal Dutch law. As soon as the 30% ruling is approved you'll be re-imbursed with the overpaid taxes as of the day the ruling is approved.

Questions?

Please contact us if you have further questions about this.