

AN APPROACH FOCUS ON DUTCH FISCAL SYSTEM

ABORDĂRI PRIVIND FISCALITATEA OLANDEZĂ

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Abstract. *Dutch fiscal system is materialize in „Tax Act 2001” and it is considerate to be easy and stalwart with tax level law but with gathering basis much higher. These are the requirements in order to contribute to increasing economic growth and to lead to a better occupation.*

Keywords: *taxes, debt, incomes, profit, fortune, dealings, excise.*

Rezumat. *Sistemul fiscal olandez își regăsește reglementarea în „Tax Act 2001” și poate fi considerat ca fiind simplu și robust, cu cote de impozitare și taxare mai reduse dar cu o bază mai mare de colectare. În esență, acestea sunt cerințele ca să poată contribui la stimularea creșterii economice și generarea a noi locuri de muncă.*

Cuvinte cheie: *impozite, taxe, venituri, profit, avere, tranzacții, accize*

Preliminaries

Nowadays, Holland economy is considered having one of the most incentive fiscal systems. The MSE-es sector in Holland (firms/companies with less than 250 employees) is constituted from over 550.000 companies, that represent more than 99% in total Dutch firms and offer approximately 2,5 millions of jobs, which represents 60% from the total employed workforce. The turnover realized in MSE-es sector is approximately 450 billions EURO, and represent over 50% from the turnover realized in entire Dutch economy.

The fiscal system applied in Holland was introduced at 1st January 2001. By the new legislations in the field (Tax Act 2001) it was desired the creation of a new simple and stalwart system, with assessment and taxation quota more reduce but with a larger base of gathering, that could contribute to the stimulation of economic growth and generate of new jobs.

Budgetary incomes categories

Regarding to income and/or wealth of the individuals and legal entities taxes, we reveal that in fiscal Dutch system are defined three taxable income categories, for each of them the taxation quota applying differently:

1. *Incomes from salaries and other independent activities.* These are imposed by applying a progressive quota:

- until 16.893 euro, **34,40%**, from which 1,80% are taxes and 32,60% are contribution to the social insurances;

- between 16.893 and 30.357 euro, **41,95%**, from which 9,35% are taxes and 32,60% are contribution to the social assurances;

- between 30.357 and 51.762 euro, **42%**, with no contribution to the social insurances;

- over 51.762 euro, **52%** with no contribution to the social assurances.

2. *Incomes from shares in NV or BV companies*, in which case the shares held are at least 5%. The taxation quota applied to those incomes is 25%.

3. *Incomes from interests and investments*. The taxation quota is 30% on the taxable, estimated to 4% from the total net assets and in the case of exceeding 19.522 euro.

Incomes from salaries and contribution to the social assurances are deducted at source and are paid to the fiscal administration. Also, the dividend tax (25%) is restrained at the source, the company that distributes dividends being obliged to pay the restrained sum to the fiscal administration.

The profit tax is applied to private limited companies and public limited companies, but also to foundations or associations that carry on profitable activities. Starting from 1st January 2005, the taxation quota is 27% (26% for 2006 and 25% for 2007) for less than 22.689 euro profits and 31,5% (30,5% for 2006 and 30% for 2007) applied to the sums over 22.689 euro. The wastage registered in a maximum three years previous period can be deducted from profits realized in the next years. The profits distributed to the shareholders are not deducted from the taxable amount. The fixed assets damping can be made by any way of depreciations, to the choice of the company.

Taxation of trade acts

Regarding to the taxation on the legacy, presents and goods transfers, we reveal that the special law (Inheritance Tax Act) defines three types of taxes:

a. *Legacy tax* is applied to the value of goods acquired from a person whose last residence was in Holland. The law establishes the maximum values of heritable goods for what is applied, in the certain circumstances, the exception from the tax payment.

Percent quota is different in accordance with the alliance grade (grade I relatives pays less than the more distant relatives or than that without alliance grade) and is applied on taxable values of the acquired goods (the acquired propriety value which from is subtract the excepted value). There are a maximum and a minimum percent quota, established in accordance with the legacy value.

b. *Presents tax* is applied to the value of goods acquired as a gift from a Holland cormorant person. The law establishes the maximum value of presents which for the tax is not applied and the cases and conditions exceptions from the tax payment (for example, the parent's presents for their children). The percent quota taxes are the same as the legacy case.

c. *Transfers of goods tax* is applied in the situation of legacy or present acquired from a person whose last residence wasn't in Holland. The law does not stipulate exceptions from the tax payment, and the percent quota taxes are the same as the legacy case.

In the same context it is proper to be underlined the fact that even the awards from gambling valuing more than 454 euro are 5% taxed. Any good won in this manner, and that could be determinate a market value, is considered award and is taxed therefore. The prizes from the Dutch lotteries are taxed at the source.

Indirect fiscal

Regarding to indirect fiscal we allow for, especially, VAT and excises. In Holland, the general quantum of *value added tax* (BTW) is 19%. Also, there are applied different quanta as it follows:

- 6%: for foods, medicines, papers and magazines, for certain medical services, certain services that suppose an intensive work consumption, certain entertainment services, transport of passengers services, water providing, certain goods and services used in agriculture;

- 0%: for exports in non-EU countries and, in the certain circumstances, for goods and services afferent provided to a beneficiary from another EU country.

In case of small businesses, family businesses and farming business there are applied special stipulations regarding to payment of BTW. For imported goods, BTW is due in the moment of input goods in European Union and it is calculated at their custom value.

Excises are applied in case of certain consumption goods, such as alcoholic beverage, tobaccos products, petroleum and mineral oils. For example, the excise value for a quart of Dutch liter is 6,21 euro, and for a quart of gas without plumb is 0,67 euro. The value of excises for tobaccos products depends on their price: in case of a cigarette pocket sold by 4,60 euro, the price include 2,63 euro excises.

Even for certain fresh drinks (fruits and vegetables juice, mineral water, soda beverage) are collected excises: for a quart of lemonade the consumption tax is 0,06 euro, and for a quart mineral water or fruits juice is 0,004 euro.

Dutch legislation regarding to consumption tax respects the UE Counsel directions about harmonization of the excises system in the European Union.

Legal transactions tax

Based on the law regarding the taxation of the legal transactions (the Act governing legal transactions) there are applied the following tax categories:

1. *Real (immovable) transactions tax* is applied at the acquisition of an immobile (land, building) situated in Holland. The tax represented 6% from the immobile market value or from the transaction value, when this value is bigger than the market value.

In most of the cases, the tax is retained by the notary, at the moment of transaction and paid to the fiscal authority.

2. *Insurance tax* is applied in quantum of 7% from the value of policy. There are excepted from the payment of tax life insurance, in case of accidents, invalidity insurance, health insurance, in case of unemployment, transport insurance.

3. *Capital tax* is applied in case of rise in capital operations made by the NV or BV companies, by organizations whose capital is divided in shares or by the cooperative, their headquarters being in Holland. The tax is in quantum of 0,55% and it is applied at the biggest value between contribution value (assets minus liabilities) and nominal value of shares.

Engine vehicle tax

Any person who has an engine vehicle (car, minibus, truck, motor-cycle) is obliged to pay a tax, that depends by the type and weight of the vehicle, the type of fuel, the fiscal residence of the person etc.

Vehicles for heavy transportation tax (HGV)

It is applied to the vehicles destined for heavy transportations of goods and is known as “Euro vignette”. It is introduced based on a convention between Holland, Belgian, Luxembourg, Germany, Sweden and Denmark. The value of the tax depends on total number of vehicle axels and the European frame, from the point of its gas emission (Euro 0, Euro I, Euro II or over).

Obvious, besides these, there are another more contributions to public budget that are similar with the taxes. For example, *losses tax* – that is applied to the centrals of losses processing in accordance with the quantity of losses discharged in collection holes – is 84,78 euro per ton of non-combustible losses and 13,98 euro per ton of combustible losses. *Fuel tax* (12,45 euro per ton) is applied to the coal producers and importers. It is excepted from the payment of tax the coal produced or imported for being used in thermal power station or in any other purpose than as fuel.

Natural water tax (0,181 euro for each cm consumed water) is collected from the companies that exploit natural waters (pumping stations, farms, industrial installations that consume water in the production process or for cooling etc.). There are exceptions the cases in which the water consumption is relatively low and it is determinate by emergency situations or for irrigations in agriculture. *Current water tax* is applied to individuals or companies that consume water through a network distribution, no matter if the provided water is potable or not. The tax is 0,146 euro per mc and is applied to a maximum consumption by 300 cm per year, being collected by the water company and paid to the fiscal authority.

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