



PrOUT tax lecture for international PhD candidates

Faculty Club, March 24, 2014

Mr. A.M. (Marianne) Both
Lawyer, tax advisor, and mediator
www.both-advocatuur.nl
info@both-advocatuur.nl
Phone: 030-2109010

The goal of this meeting was to clarify Dutch tax rules for international PhD candidates. The following topics were discussed:

- The 30% tax ruling
- The M form
- Deductible costs for income tax

1. The 30% tax ruling

The 30% tax ruling is a contribution for extra cost made by foreign employees; 30% of your gross salary can be paid tax free.

Requirements:

1. An expatriate must be an employee who is hired in the Netherlands.
2. Your specific expertise is scarce or absent on the job market in the Netherlands.
3. You must have lived more than 150 km from the Dutch border in the 2 years before the work in the Netherlands starts.
4. Decision of the tax administration.

Since 2012 is the period for which the 30% ruling can be applied up to 8 years (maximum).

The request to the tax the administration has to be made by a special form, which has to be filled in by the employer and the employee. When the request is made within four months after the start of employment as an extraterritorial employee by the employer, the decision shall be retroactive to the start of employment. If the request is made later, the decision shall apply starting the first day of the month following the month in which the request is made.

You can prove that you have lived more than 150 km from the Netherlands in the two years before you moved here by giving proof, for example such as registration in the town where you lived before, post mail you received at your previous address, or gas bills.

2. The M Form

The [M form](#) is the form for tax return for people migrating to and from the Netherlands. You may receive it during your first year in the Netherlands. The second year, and years after that, you may get a regular Dutch tax form.

If you have received a M Form, you have to fill it in and return it before the deadline stated on the return form (for this year, that is July 1st, 2014). If you did not receive a M Form from the Tax and Customs Administrations, and you do think you can get a tax return, you should request for a M Form.

Not everyone receives a M Form automatically. If you did not receive it, you are formally obliged to ask for it, except when you do not expect that you have to pay tax. If you only have income from work (and nothing else), your employer has already withhold the tax over your income. If you expect that you can get a tax refund, you also has to fill in the M form.

The form is only available on paper in Dutch. It consists of a lot of papers. You don't usually use it all, but you do have to read it all. You can find explanations of the form in English on the internet.

It is recommended to ask advise for filling in the M form.

If, in the second year and years after that, you do not receive the regular Dutch tax form, but you do expect that you can get a tax refund, you can download a E or P Form. You can ask for refund up to 5 years later. You even have to fill in a E or P form if you expect that you have to pay tax. As told before, if you only have income from work (and nothing else), your employer has already withhold the tax over your income.

Note: There is also a C Form. This is for people living abroad (not in the Netherlands) but who receive income from the Netherlands. The E and P Form are for people living in the Netherlands.

Additionally, you may be eligible to receive "[Zorgtoeslag](#)" (health care allowance) for your health insurance. The amount is based on your income. If your income is too high, you don't receive the refund. The same applies for "[Huurtoeslag](#)" (rent allowance). This depends on your income and the rent of your house.

Also here it is recommended to ask advise for filling in the special forms.

3. Deductible costs

Some costs for your promotion are deductible from your income tax. These are costs for the printing of your dissertation and clothing for the promotion ceremony (for yourself and your paranimphs). The costs for a computer, a car and travelling expenses for paranimphs are not deductible.

It is not clear if the costs for the reception after the promotion ceremony are tax deductible. Different from the costs for the dissertation and for clothing for the promotion ceremony, the cost for the reception are not indicated in the law as deductible.

There is a threshold of € 250. So only the costs above this amount are deductible. The maximum deductible amount is € 15.000.

It is recommended to ask advise for filling in your tax form when you have deductible costs.

No rights can be derived of the content of the lecture and this summary.