



Year-end pointers for everyone

With the end of the calendar year approaching, it's time to take a moment to see which matters require your attention in 2026. What new rules and obligations will apply next year? What points do you need to consider before the end of this year, and are there any steps you may want to postpone until 2027? In our Year-End Pointers, we provide tips and pointers for 2026, and we discuss what to take into account in 2027.

In these Year-End Pointers we discuss key points of attention for your personal tax position. This includes new tax rates, gifting, developments in Box 3, and owner-occupied homes.

If you have any questions, please do not hesitate to contact us. Your [Baker Tilly advisor](#) would be happy to explain how you can improve your tax position.

Please note: the House of Representatives and the Senate still need to approve a number of proposals. It is possible that certain measures will be implemented in a revised form, or not at all. This may affect these tax tips. Your advisor can tell you more.

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General pointers

Request tax averaging

If your income fluctuates significantly over three consecutive years, it may be beneficial to request tax averaging. Tax averaging means that your income in Box 1 (work and own-home) over a period of three consecutive years is added up and then divided by three. The personal income tax is then recalculated for each of the three years. The difference between the old and the new tax amounts can be paid out to you, taking into account a threshold of EUR 545.

The tax averaging scheme has been abolished, but it may still be possible to apply averaging to three-year periods up to and including 2024. A request for tax averaging must be filed ultimately 36 months after the last tax assessment for those three years has become final. A particular tax year can only be included in tax averaging once.

Request a preliminary tax assessment for personal income tax

Do you expect to have to pay (additional) tax in the tax year 2026? If so, you should consider requesting a preliminary tax assessment. Have you already paid a preliminary tax assessment? In that case, check whether the amount paid is in line with the expected tax assessment and, if necessary, request a revised preliminary tax assessment. In this way, you can limit the amount of legal interest due.



Pointer

In principle, tax debts do not lower your Box 3-taxation. But if you pay any outstanding (provisional) assessments before 1 January 2027, your Box 3-taxation may be lower, as your taxable bank balance is lower. Bear in mind that the Dutch Tax Authorities usually have a processing time of 6 to 8 weeks for a (revised) provisional assessment.

No tax return filed, but entitled to a 2021 rebate? Submit your tax return as soon as possible!

Have you not yet claimed a rebate of personal income tax to which you were entitled for the tax year 2021? If so, make sure that you request the refund before 1 January 2027.

Pay your annuity premium in 2026

If you have a pension shortfall, purchasing some kind of annuity product may be an attractive option. Under certain conditions, the premiums you pay may be tax deductible. Within the boundaries of the so-called annual margin (and any remaining reserve margin) you can deduct annuity premiums in Box 1, in the year of payment. Do you own a qualifying annuity product in 2026, and do you have sufficient annual margin? If so, make sure that you pay the premium no later than 31 December 2026.

Please note: other time limits may apply for certain actions, such as the conversion of a cessation profit or a fiscal retirement reserve into an annuity

Effectuate the prenuptial annual settlement clause in 2026

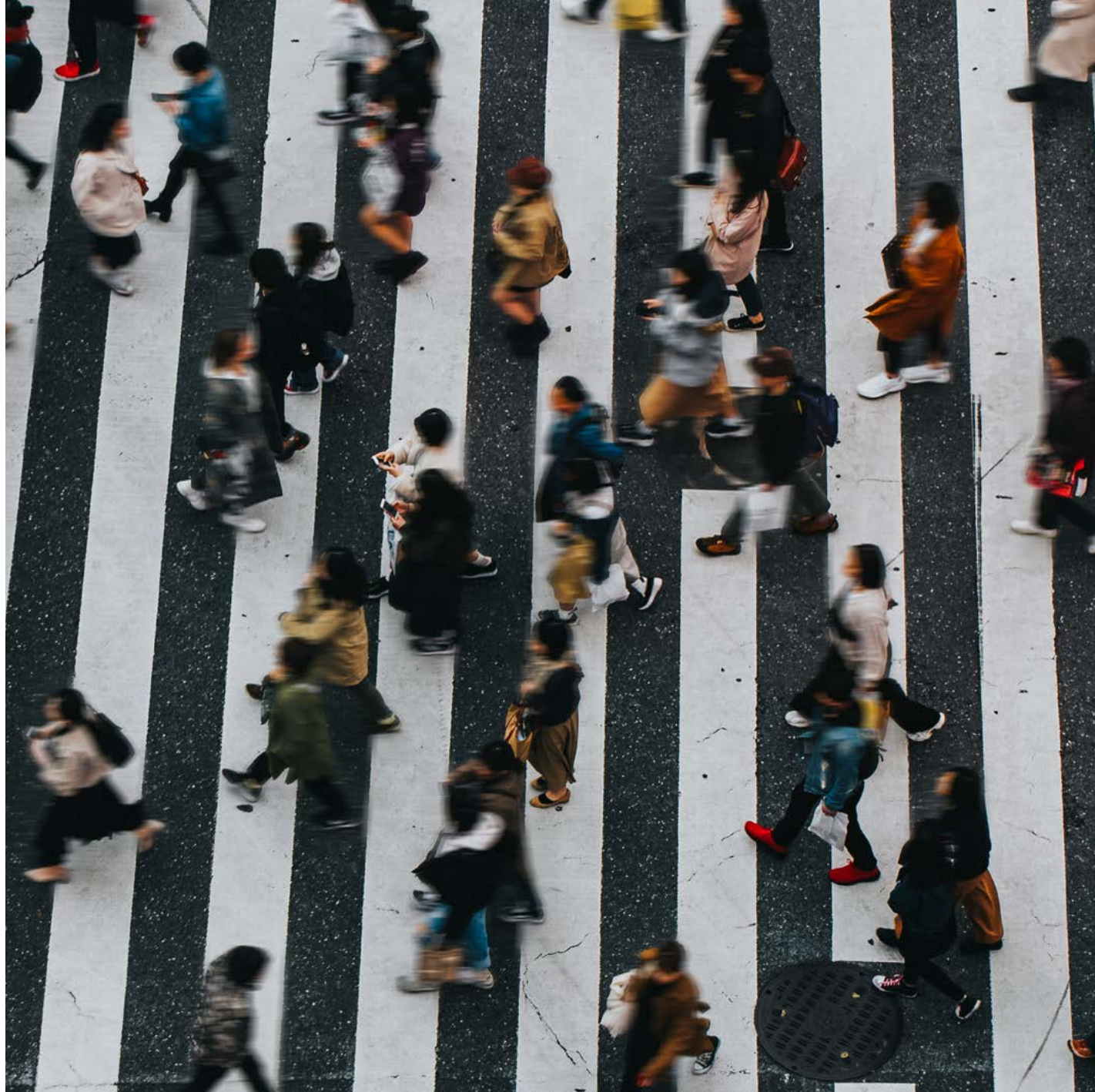
Have you concluded a prenuptial agreement, which includes an annual settlement clause? If so, do not forget to actually effectuate the settlement of that clause. Failure to do so can lead to the risk that, in the event of a divorce or death, you will be treated (for Dutch tax purposes) as if you were married in community of goods.



Pointer

Have you forgotten to effectuate the annual settlement clause in previous years? If so, there are ways of addressing this. Your Baker Tilly advisor can explain the consequences of not effectuating the settlement clause and how you can rectify this.

Please note: the consequences of changing your matrimonial property regime recently changed. The dissolution of a marital community as a result of death (or in life) is treated as an inheritance (or a gift) from one spouse, as of 1 January 2026, if the other spouse receives more than half of the joint property upon dissolution. This also applies to cohabiting couples and married couples with a settlement clause. The new rules do not apply to acquisitions based on prenuptial agreements or cohabitation agreements that were concluded before 16:00 hrs on 16 September 2025. However, the changed rules do apply to existing prenuptial agreements or cohabitation agreements regarding the share in the marital community of property or the settlement of assets that have been amended after that date.



Box 3

Taxation in Box 3

Taxation in Box 3 (income from savings and investments) is currently under scrutiny. In 2021, the Dutch Supreme Court ruled that the 'old' taxation system involving notional yields was in violation of European law. The legal restoration and bridging legislation that followed also proved to be inadequate. At the moment, it looks like the expected new taxation method will not be introduced until 2028.



Box 3 is changing rapidly. Speak to your advisor for an update on the latest developments.

The current system of taxation based on a notional yield will apply until the end of 2027. Taxpayers may opt for taxation based on the actual yield, if they can demonstrate that their actual yield in Box 3 was lower than the notional yield, under the so-called counterevidence rules.

If this applies to your situation, you will need to calculate and demonstrate that the actual yield is lower than the notional yield. You must do so for each separate year for which you want to claim a tax refund. The actual yield includes not only actual income, but also certain unrealised changes in value (such as the increase in value of a second home).

Please note: if you apply the counterevidence rules, you disregard the tax-free base and you must determine the actual yield for all your Box 3 assets. It is not possible to apply the notional yield to certain assets, while using the actual yield for other assets.



Pointer 1

Discuss with your advisor whether it is worth calculating the actual return. This may for example depend on the actual Box 3 tax paid in a year, the substantiating records available, and the ratio between the amount of tax to be reclaimed and the costs of the advice and the objection.

Shortly after **Budget Day**, the Dutch Cabinet presented new plans to reshape Box 3. The proposal included decreasing the tax-free base as of 1 January 2027, and increasing the notional yield for 'Other assets'. Shortly after this proposal, it became clear that further adjustments were likely to follow. Your advisor can tell you more about the current state of affairs.



Pointer 2

If you wish to demonstrate that your actual yield in a given year is lower than the notional yield, you will need to retain more information and supporting documentation than before. Discuss with your Baker Tilly advisor what is required in your specific situation.



Pointer 3

Given all the recent changes, it is possible that you may exceed the Box 3 thresholds in 2027 or 2028, even if you did not in previous years. As a result, you may need to maintain more extensive records. Be sure to discuss this with your advisor.

If possible, reduce your taxable base in Box 3 before 1 January

The personal income taxation in Box 3 is based on the sum total of your taxable assets on the reference date (which is 1 January of the tax year). If you are using the normal system (notional yield rather than the counterevidence rules), there are a number of simple steps that may mitigate your Box 3 taxation:

- **Repay small debts.** If the total amount of your debts is under the debt threshold (2026: EUR 3,800, or EUR 7,600 for fiscal partners), these debts will not reduce your taxable base in Box 3. If you repay the debts before 1 January 2027, your bank balance on that date will however be reduced.
- **Ensure that large expenditures are still made in 2026.** For example, are you planning to buy a new car or put in a new kitchen? By paying for this in 2026, you will reduce your taxable bank balance on the reference date.
- **Pay tax assessments before 1 January.** In principle, tax debts are not included in Box 3 and therefore do not reduce the taxable base. By paying any outstanding tax assessments before 1 January, you will reduce your taxable bank balance on the reference date.
- **Do you have an interest in an (undivided) estate?** This is treated as an 'Other assets' for Box 3 purposes and is therefore subject to a relatively high notional yield. If the estate is distributed before the reference date, part of your inheritance may instead be held in your bank account. In that case, a lower notional yield applies.

You can choose to apply the counterevidence rules at a later point, if it turns out your actual yield was lower than your notional yield.

Selling investments to reduce Box 3 taxation? Beware of anti-abuse provisions!

It may be tempting to temporarily convert Box 3 investments into bank assets before the reference date, and then revert back to investments shortly after the reference date. This is because, under the existing Box 3 rules, a distinction is made between bank and savings assets on the one hand, and other assets and investments on the other. These other assets in Box 3 are deemed to have a higher (notional) yield, and consequently lead to a higher taxation in Box 3.

It is however important to note that in certain cases, anti-abuse provisions may be applicable. The Dutch Tax Authorities may for example ignore a sale followed by a buyback, if the transactions take place within a timeframe of three months, which starts before the reference date and ends after the reference date. The only exception is in cases where you can demonstrate that the transaction had valid business reasons. Restrictions also apply for certain dealings between a director-major shareholder and his limited liability company. Discuss this with your advisor beforehand.

Please note: the counterevidence rules also have certain anti-abuse provisions.

Qualifying 'green investments'

As of 1 January 2028, the Box 3 tax incentive for certain green investments is to be abolished. In 2026, the exemption amounted to a maximum of EUR 26,715 (EUR 53,430 for fiscal partners). In 2027, these amounts will be reduced to a symbolic EUR 200 (EUR 400 for fiscal partners). The associated tax credit will remain available in 2027 at 0.1% of the amount of green investments that is actually exempt in Box 3. As of 1 January 2028, both the exemption and the tax credit will be completely abolished.

Seek advice on real estate

The tax treatment of real estate in Box 3 has become more complicated since the introduction of the counterevidence rules. In addition, changes to real estate transfer tax may affect wealth planning strategies involving real estate. If you are considering buying or selling Box 3 real estate, particularly around the Box 3 reference dates, make sure you gain professional advice on the tax consequences.

Take into account the interest over a gift on paper

Have you gifted an amount to your child, but not actually transferred the money? In this case, there may be a so-called 'gift on paper'. Essentially, you have gifted an amount and then immediately borrowed it back from your child. Interest should be paid over this loan, at a rate of 6%. Make sure that the payment of interest is actually performed (on time), as the gift might otherwise be regarded as part of the taxable inheritance upon death.



Pointer

Discuss with your advisor whether it may be more advantageous for you to actually repay the debt. Due to changes in the Box 3 rules, it has sometimes become less attractive to make (or maintain) a gift on paper.

Please note: the 2026 Spring Memorandum listed the gift on paper as a 'noteworthy tax arrangement'. Suggested changes included reducing the applicable interest rate (currently 6%) or introducing a notional provision for gift and inheritance tax purposes. The 2027 Tax Plan did not include any specific legislative changes in this area. However, it is advisable to follow developments during the parliamentary process, as changes may yet be proposed.

Quickly look for a new (protected) tenant

Do you rent out housing to individuals who have rent protection? You may be able to apply the vacant value ratio (leegwaarderatio or 'LWR'), which means that you can claim a value reduction when determining the taxable value of the property for Box 3 (as well as gift and inheritance tax).

Since 2023, the LWR is set at 100% if there is a temporary tenant or rental to an associated party on the reference date. Effectively, this means that there is no value reduction. Do you rent out property temporarily, or to an associated party? Consider looking for a permanent tenant (with rent protection).

Please note 1: the rented state is assessed on 1 January of each year. Find a permanent tenant before 1 January 2027 if you wish to apply the LWR in 2027. Pay close attention to relevant rules & regulations.

Please note 2: case law has confirmed that the valuation of rented property for inheritance & gift tax purposes may sometimes follow fair market value instead of the LWR if that is advantageous. However, in cases of non-market-rate rent between related parties, this case law can no longer be invoked as of 1 January 2026. Our [real estate experts](#) can tell you more.

Mortgage and owner-occupied home

Pay your 2027 mortgage interest in advance

If you pay the mortgage interest for your owner-occupied home ('eigen woning' or 'own-home') for the period up to 1 July 2027 ahead of time in 2026, you can under certain conditions deduct this amount in 2026. If you expect to fall in a lower tax bracket in 2027 (e.g. because you reach the retirement age), it may be worth paying the mortgage interest ahead of time.

However, deduction of the interest may take place at a rate of 38.16% in 2027 (37.56% in 2026). Discuss with your advisor what would be prudent in your case.

Please note: a payment ahead of time is only deductible to the extent that it pertains to the period up to 1 July 2027. Therefore, from a tax perspective, there is no point in making a payment for a longer period of time.



Pointer

Payment ahead of time also helps reduce your taxable assets in Box 3 on the reference date. This can lead to a lower amount of Box 3 tax in 2027.

Consider whether it is worth repaying your mortgage in 2026

Do you have a mortgage with a high interest rate? If so, it may, from a tax perspective, be worth repaying this mortgage (this is especially true in the case of a mortgage without an annuity repayment schedule). If the yield on your savings is lower than your (net) mortgage costs, it is worth checking whether repayment might be advanta-

geous. Please note that mortgage providers often impose a penalty for repayments of over 10% to 20% of the amount borrowed.

Please note 1: in the past, an own-home without a mortgage was effectively not taxed in Box 1, due to a deduction under the so-called 'Hillen Act'. Some years ago, it was decided that this deduction should be phased out. This means that owing an own-home without a mortgage can lead to taxation.

Please note 2: the bridging legislation in Box 3 is quite complicated. Be sure to weigh the benefit in Box 3 (lower bank balance) against the possible Box 1-disadvantage (less mortgage interest deduction) beforehand.



The future of the mortgage interest deduction is up for debate, but no specific changes have been announced yet.

Check whether it is more advantageous to sell your home in 2026 or rather in 2027

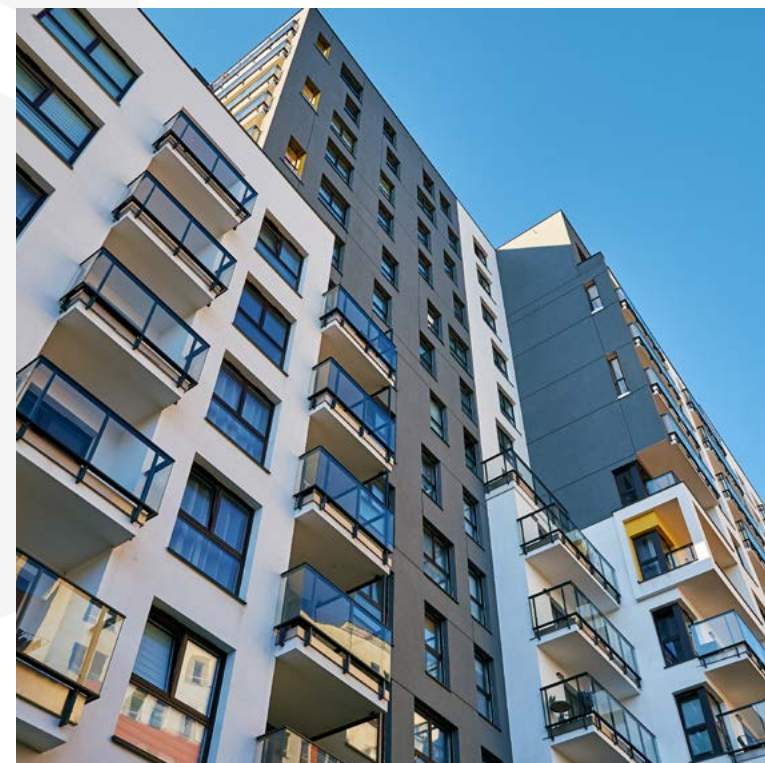
Do you have an own-home with excess value and do you want to sell it without immediately buying a new home? In this case it may be prudent to postpone the sale until after 1 January 2027 (which is the reference date for Box 3). As long as your own-home falls within Box 1, you only pay a limited amount of tax on it. However, if you sell the own-home, your bank balance will be higher. This may result in a higher amount of Box 3 tax. Consider whether it would be prudent to sell in 2027 rather than in 2026.

Please note: A reduction in the real estate transfer tax rate has been announced for residential properties that will not be occupied by the purchaser. From 2027, the transfer tax rate for such properties will decrease from 8% to 7%. This measure applies, for example, to rental properties and holiday homes.

The reduced 2% real estate transfer tax rate will continue to apply to owner-occupied residential property.

Acquire a renovation debt in 2026

Do you want to renovate your owner-occupied home in 2027, and do you intend to finance this by other means than a deductible mortgage loan? By entering into the relevant agreements and obligations in 2026, you may reduce your taxable base for Box 3.



Gifting

Make use of the gift tax exemptions in 2026

In certain situations gift tax exemptions may be available. Your advisor can tell you more about the possibilities. If you want to make use of an exemption in 2026, make sure the gift is performed on time and documented correctly.

Please note 1: Dutch gift tax law takes into account the place of residency of the person giving the gift rather than the recipient. Therefore, a gift made by a Dutch tax resident to a beneficiary abroad may be subject to Dutch gift tax.

Please note 2: The gift tax return for gifts in 2026 must be submitted before 1 March 2027.

Gift tax exemptions

The gift tax exemptions are as follows. Your Baker Tilly advisor would be happy to explain the conditions and rules relating to tax-free gifts in more detail.

	2026	2027*
Annual exemption for a child	€ 6,908	€ 7,088
Annual exemption for other individuals (including grandchildren)	€ 2,769	€ 2,841
One-off increased exemption for a child aged 18-39 (freely disposable)	€ 33,129	€ 33,991
One-off increased exemption for a child aged 18-39 for higher education expenses	€ 69,009	€ 70,804

* The 2027 amounts have yet to be formally confirmed



Pointer 1

Would you like to transfer wealth to your children or other family members? With careful planning, this can be done as tax-efficiently as possible. A family charter can also help facilitate discussions about expectations within the family and encourage timely conversations about the future. Your advisor would be happy to tell you more.

Please note: the 2026 Spring Memorandum listed the gift on paper as a 'noteworthy tax arrangement'. Suggested changes included reducing the applicable interest rate (currently 6%) or introducing a notional provision for gift and inheritance tax purposes.

The 'non-businesslike loan' (onzakelijke lening) is also expected to receive increased attention in the near future. It is therefore advisable to discuss with your advisor whether, for example, family loans have been properly documented and entered into under arm's-length conditions. The 2027 Tax Plan did not include any specific legislative changes in this area.



Pointer 2

Keep track of developments during the parliamentary process, as changes may yet be proposed.



Due to changes in the Box 3 rules, it may be useful to check whether any gifts on paper should be repaid. [Read more here.](#)

Assess periodic donations

In some cases, donations made to a Public Benefit Organisation ('ANBI') are deductible for personal income tax purposes. One of the terms for this is that the deduction is, shortly put, capped at a maximum of 10% of your total income.

Are you approaching this cap on deduction? Consider converting your annual donation into a periodic donation: in that case, the deduction is capped at EUR 250,000. Exceptions may apply for previously agreed upon obligations.

Please note: the EUR 250,000 cap applies both to the donor and their partner, combined.



Read more about our Year-end pointers for employers, entrepreneurs, and director-major shareholders [here](#).



Year-end pointers 2026



This overview was written with due care and attention, based on the legislative proceedings until 1 October 2026. This overview is intended to be general in nature and should not be construed as specific advice or a comprehensive overview of all changes. A number of topics, pointers, measures, and legislative proposals were not included in this overview. Please note: several measures have not yet been finalised. It is possible that they may be changed during the legislative process. Discuss what the consequences of the proposed changes are for your situation with your advisor.

Do you have any questions? [Contact](#) your Baker Tilly advisor