



## Explanatory notes

### Tax return form IB A 2023

#### Inkomstenbelasting, AOV/AWW and Zorgverzekering

## General

### The Tax Office

The Tax Office has the task to execute the fiscal legislation efficiently and with integrity. We try where necessary to assist you in observing your obligations. For specific questions, please contact the information desk of the Tax Office of the island you live on. Besides this, you may consult the website of the Tax Office, [www.belastingdienst-cn.nl](http://www.belastingdienst-cn.nl). Under certain conditions you may approach the Tax Office for assistance with the completion of your tax return form. The dates on which this is possible will be announced via the media.

### Filing the tax return form

You have a period of two months after the date of issuance to complete and file your tax return form. If it is not possible to file your tax return form within two months, you will have to submit a written request for postponement to the Inspector, before the prescribed due date. When filing the tax return form, the Tax Office can stamp a copy of your tax return form for receipt.

### Penalty

If you do not file the tax return form within the (possibly extended) period, the Inspector will send you a reminder to still submit the tax return. If the date of submission given in this reminder passes without the Inspector receiving your tax return, a fine can be imposed. If you are in default for the first time, the Inspector will not impose a fine. For each subsequent default, you will be fined up to USD 1400. The inspector will determine the tax assessment at his own discretion, taking into account the data that is available to him.

### Classification of tax return form

First, some general questions are asked. Next you may fill in the columns 3 to 9 on the pages 3 to 6. If you have been married throughout the entire year then only the spouse with the lowest personal income (see question 6) should fill in summary statement A. The spouse with the highest personal income should indicate the non-privatized income and the deductions of both of you, by filling in the remaining sections where applicable.

On page 13 there is summary statement A and B. Herewith you may calculate your taxable amount. If you are married outside community of goods and you request separate taxation, you are obligated to fill in all sections, where applicable, including summary statement B. If you are unmarried, you have to fill in all sections, where applicable, including summary statement B.

### Rounding off to whole dollars

Round off all amounts in the tax return form to whole dollars. You may round off in your favor.

### Attaching documents

It is recommended to make a copy of your tax return form. Besides the financial statements as mentioned in column 4, you will need to include all other evidences.

### For more information

During office hours you may contact the Belastingdienst through the following numbers:

**Bonaire:** 00599 - 715-8585

**Saba:** 00599 - 416-3941

**St. Eustatius:** 00599 - 318-3325

# Explanatory notes to the questions

## 1 Personal data

### 1a Name and address

Fill in your name, residence details, address as well as ID number and CRIB number. Do this in case these are not properly listed on your form.

### 1b Fill in your telephone numbers and e-mailaddress.

### 1c Establishment or departure

This question is only relevant if you have established yourself in Caribisch Nederland after January 1, 2023 or if you have left Caribisch Nederland to establish yourself elsewhere.

**Attention!** If you have established yourself in or left Caribisch Nederland after January 1, 2023 then the domestic tax obligation has existed only for a part of the calendar year. When calculating your payable income tax, your gross income will be reduced. In addition to some other amounts, such as threshold amounts, will be modified.

### 1d Marriage and divorce

When referring to being married, it means a couple that is not permanently divorced or separated from bed and board. Being permanently separated means that the spouses no longer live together and that this situation is not temporary. If within six months after living permanently separated, you reunite and live together again, then you are deemed to have always lived together.

### 1 e/f/g Income spouse

If you are married, the spouse with the lowest personal income will solely be taxed for his personal income and his personal reductions after deduction of the loss compensation. See column 6 and 7 for the calculation of the personal income and the personal reductions. The non-privatized income and tax deductions of both spouses are taxed on the spouse with the highest personal income. That spouse will be taxed on that income. There is one exception hereon, namely in case you are married with a prenuptial agreement. In that case you can request a separate levying. See question 1g. However, you should be aware that you still get one declaration form and that you and your spouse must file it jointly. However, the first time that you mention in the form that you want to be charged separately, you will need to attach a copy of the notarial deed in which your marriage conditions are stated.

If you are married outside community of goods and you request a separate levying. You will still receive one tax return form for you and your spouse. If you requested a separate levying, both your spouse and you have to fill in summary statement C.

### 1h Occupational data

Please indicate what work you do. Thus, do not write: employee or businessman, but do write for example: mechanic, secretary or retailer. If you are a public servant do not fill in: public servant but give a description which indicates your occupation, for example, messenger, agent or medical examiner.

## 2 Other questions

### 2a Expatriate arrangements BES

If the expatriate arrangements have been taken into account in your or your spouse's loonbelasting, you have to mention it here. This arrangement is valid, on request, for a maximum of 5 years and can be extended thereafter for another five years and is applicable if:

- you have lived for at least 5 consecutive years outside the Caribisch Nederland, before your employment in the Caribisch Nederland;
- you have a university or HBO degree and you have a minimum of 5 years of experience;
- you earn a minimum of USD 83,500 a year; and
- your specific expertise is limited in the local labor market.

In case you were considered an expatriate based on:

- A the Expatriates Beschikking 1998, in force in the former country Netherlands Antilles or the Expatriates Beschikking Sint Eustatius 2005;
- B the Expatriates Beschikking 1998 or the Expatriates Beschikking Sint Eustatius 2005 applicable in the transition period as a ministerial regulation; you will be considered as an expatriate for the application of the arrangement as applicable for the BES since 1-1-2011 by decision of the Inspector.

The period in which based on the 'old' Beschikkingen of the country Netherlands Antilles or Sint Eustatius, you were identified as expatriate reduces the 5 years period which would be valid since 1-1-2011. Thus, there will be no new period.

For more information about the expatriate arrangement please contact the Inspector.

- 2b **Loonbelasting reduction**  
Loonbelasting is withheld on your salary, benefits or pension. Your employer or benefits agency does not take your deductions into consideration, such as mortgage interests and study expenses. If you have deductions, this means that actually too much loonbelasting is being withheld. This will be reimbursed to you only with your inkomstenbelasting assessment. At the end of the calendar year, the final statement of account will take place for the inkomstenbelasting assessment. This assessment will be imposed after you have filed your tax return. You can avoid too much loonbelasting being withheld by submitting a request for the reduction of loonbelasting. If you received a reduction in loonbelasting, you will automatically receive a tax return form for inkomstenbelasting. Based on your tax return form, the Inspector evaluates whether the amount reduced was correct.
- 2c **Deduction to avoid double taxation**  
You may be entitled for deduction to avoid double taxation in case you received an income on which another country has also imposed tax. You should mention the income itself in model A. It is very important for you to indicate in model A, on the section 'aard bestanddeel' (nature of component) which income this entails. Indicate at least whether it is interest, dividend or royalty's on the one hand and income on the other hand.

**Attention!** Double taxation applies only to tax and not for the contributions.

- 2d **Income from undivided estate**  
An undivided estate can originate from death (among heirs in the estate), in divorce cases, in separations of bed and board, upon termination of a registered (notarized) partnership between (ex) spouses with respect to their joint (marital) assets. The joint ownership remains until the partition of the community, followed by conveyance of the allocated to each, have taken place.

If you are a sole heir in an estate, then there is no case of an undivided estate. Neither is there a case of undivided estate if by will of a parent, an estate partition has taken place whereby the total estate of the parent is designated to the surviving spouse and the children only obtain a claim on the older spouse for the size of the portion of the heritage of each.

The portion of income undivided estate needs to be filed every year, even if this share has not been received. For the deduction of your share in all the expenses related to incomes from undivided estate such as management and interest, charges and depreciation, the same rules apply as for the income from this source, which is not part of the undivided estate.

Each year you must declare the income from undivided estate, even if you have not received your portion yet. For the deduction of your portion in all expenses that are associated with the income from the undivided estate, such as management expenses and interest, charges and depreciations, the same rules apply as would be the case for the income from this source, which does not form part of an undivided estate.

**Attention!** You have to divide the income from undivided estate by source type, thus from business (profit), movable capital, real estate and other income, and then fill in the concerning question (source) in the tax return form. The rules of the concerning source also apply for the portion in the income from undivided estate.

**Attention!** With regard to minor children who have the right on incomes from undivided estate, which do not belong to the personal income, this income is taxed on the parent who has the custody of the minor child.

## 3 Income from employment, pensions and benefits

- 3a This question gives you a total of all incomes on which loonbelasting is withheld such as your gross income from current employment (wages, gratifications, bonuses, etc). Also your income from previous employment, such as AOV/AWW benefits and your pension are indicated here. Normally you would find this information on your loonbelasting card, which you received from your employer or benefits agency.

**Attention!** Fill the name and address information of each employer or benefits agency, the withheld 'loonheffing' and the gross salary amount. The withheld 'loonheffing' will be settled with the total payable inkomstenbelasting and premiums. Loonheffing is the withheld wage tax and premiums.

- 3b **Company car**  
If you have a passenger car from your employer at your disposal and you also use it for private matters, - including commuting between home and work - you have to add 15% of the new value of the car, including ABB and customs value to your income. In principle this amount should be included in the gross salary. Ask your employer if this is the case. If the addition is included in your gross salary, you do not have to do the addition once again.

**Attention!** Commuting between home and work means traveling back and forth between the home address and the location of your work.

Even in cases where the employee takes the vehicle home on request of the employer to avoid for instance theft or destruction, it is considered to have been provided and the fiscal addition will have to take place.

In case the car is given to you during the year, then the addition should be calculated time depending. Suppose the fiscal addition due to private use of the vehicle during the whole year is USD 5.000, but you can only use the car for private matters for three months, your private use is then 3/12-part of the USD 5.000, thus USD 1.250. If the employee has to pay the employer a compensation in order to use the vehicle, then the paid compensation will be deducted from the aforementioned 15%. Only the expenses directly paid by the employee to the employer, can be deducted on the addition. If the employee pays more than the 15%, the benefit will be set to 0. The eventual extra is not deductible as occupational expenses.

Jeeps and pick-ups are categorized as passenger cars as well, both the versions with double cabins as the versions with a single cabin. If a vehicle, other than mentioned above, is made available, the actual advantage that the employee receives by the non-business use should be taxed.

## 3c Other income

Here you must specify amongst others the other income you have obtained by means of labor, such as:

- carrying out chores;
  - teaching (for example private tutoring or given driving lessons);
  - providing accounting, administration services, and so on;
  - drawing building plans;
  - the purchase of goods - in the Caribisch Nederland as well as abroad - and the resale of these goods to third parties.
- The expenses associated with these incomes may be deducted (model B page 12 of your tax return form). For further explanation about the occupational expenses you are referred to section 3g below.

## 3g Occupational expenses

Occupational expenses are expenses you incur in order to properly exercise your profession or to obtain your income. In income from current employment and other income from employment such as extra earnings, you are entitled to a fixed amount (expense forfait) of USD 280. If your actual professional expenses are higher than USD 280 per year, you may deduct the actual expenses as far as they exceed USD 560. If you deduct the actual professional expenses, you have to attach the evidence thereof and a specification to the tax return.

**Attention!** The deduction of the actual professional expenses or of the lump sum cannot exceed the income.

Deduction of the actual professional expenses is only more profitable than the lump sum of USD 280 if the actual expenses are more than USD 840.

*Example 1*

If your actual expenses are USD 750, you may deduct USD 190 (750-560) as actual expenses. The fixed deduction is however USD 280. Therefore USD 280 will be taken into account as professional expenses.

*Example 2*

If your actual expenses are USD 1.500, you may deduct USD 660 as actual expenses. Your fixed deduction is USD 280. It is more profitable to deduct the actual professional expenses instead of the fixed amount.

**Attention!** The following professional expenses are not deductible:

- a the workspace, including the interior, in your home if:
  - 1) you have a workspace outside your home and you earn the total amount of your income from employment, business and profession for less than two-thirds (2/3) in the workspace from your home or;
  - 2) you do not have a workspace outside your home at your disposal and you earn the total amount of your income from employment, business and profession for less than two-thirds (2/3) in or from the workspace in your home;
- b commuting between home and work;
- c boats used for representational purposes;
- d clothing, except for work wear. See below;
- e literature, except for professional literature. See below;
- f private telephone and internet connections on the name of the taxpayer. See below;
- g personal care;
- h food, beverages and stimulants, entertainment, receptions, festive gatherings, excursions, study tours, including travel and accommodation costs;
- i donations and gifts;
- j fines;
- k costs associated with the conviction of a crime;
- l costs to avoid criminal prosecution;
- m bribes.

**Work wear**

Only the costs for work wear are deductible. Work wear can be defined as clothing that is suitable to wear almost exclusively when exercising the profession. It entails for instance uniforms and professional wear such as a firefighter uniform, a police uniform or a nurse's uniform. Clothing which can also be worn in private life is not deductible (for instance a training suit for a sports teacher or the black suit for a manager). Clothing can also be considered work wear if it is provided with one or more clearly visible logos, associated with the employer, which jointly cover a surface of at least 70 square centimeters, and the logos are inextricably bound to the clothing. Also clothing that is not directly considered as work clothing, such as jeans, is categorized as such only when its use causes it to be unsuitable for private use (such as dockworkers).

**Literatuur**

Only the costs of professional literature are deductible. Professional literature entails: publications that are generally recognized as important to your profession such as subject-specific journals and specific professional encyclopedias.

In general, the cost of general literature is not deductible, for instance a newspaper, novels, and a general encyclopedia. These expenses are deductible only if such literature can be considered as professional literature for your work (such as the additional costs of novels for a Dutch teacher or additional newspapers for a journalist).

**Telephone**

The costs of business calls of the employee on his home telephone are deductible. Yet, the subscription fees are not deductible.

**Attention!** Deductions from the following expenses are limited.

- a costs of personal computers and software, disks, printers, plotters, typewriters, word processors, calculators, copiers, fax machines, modems, monitors, audio equipment, video and telephone equipment, tools, musical instruments. This includes the cost of maintenance, repair and insurance.  
In order to determine the costs you have to add up the depreciation of all equipments and all additional costs. The expenses are deductible to the extent they exceed USD 419. The amortization period is 36 months.  
You do not have to take into account the residual value.

*Example 1*

Purchase on January 1; USD 2.100  
Depreciation per calendar year in 3 years  $USD\ 2.100 : 3 = USD\ 700$  -/-  $USD\ 419 = USD\ 281$ .  
You can increase the expenses for three years with USD 281 per year.

*Example 2*

If you bought in the course of the year, you must calculate the depreciation proportionally in time.

Purchase July 1, USD 2.100

Depreciation per calendar year USD 700,- in 36 months

Depreciation first year (after 6 months)  $USD\ 700 : 12 \times 6 = USD\ 350$  -/-  $USD\ 419 = USD\ 0$ . Depreciation second year (after 12 months)  $USD\ 700$  -/-  $USD\ 490 = USD\ 210$ . Depreciation third year (after 12 months) is equal to the second year. Depreciation fourth year (after 6 months)  $USD\ 700 : 12 \times 6 = USD\ 350$  -/-  $USD\ 419 = USD\ 281$ . You may increase the expenses for two years with USD 210 per year. In the first and the fourth year the costs are not higher than USD 419, thus, there is no deduction.

- b The costs incurred by the employee in connection with the attendance of courses and participation in conferences, seminars, symposiums and similar events in order to stay up-to-date on his profession are deductible for 75% up to a maximum of USD 1.397. These costs also include travel and accommodation costs. Car costs are deductible within the given maximum of USD 0,20 per kilometer. In order for the car costs to be acceptable, it is in this case sufficient to attach a class schedule and a mileage records to the tax return.

**Attention!** The costs of food, beverages, stimulants and similar others are not deductible. The employee therefore needs a specified bill where these costs are listed separately.

**Attention!** This does not cover the costs that the employee has made to follow a vocational training. These costs must be included with the extraordinary expenses as expenses for study. See section 15j.

### Car

If the employee or a tax payer who earns other income from labor uses his personal car for business trips (other than commuting), then he can deduct a fixed amount of USD 0,20 per kilometer. Other costs (such as cost of repair, car wash, insurance, and other similar costs) are not deductible. The employee must prove the number of kilometers driven with a comprehensive mileage administration. A comprehensive mileage administration is kept through a day-to-day administration in which the employee indicates:

- the start and end position of the odometer and
- the destination of the trips made.

The Inspector shall determine the reliability of the administration, for example by using the calendar or the fuel bills.

Here below follows an example of a trip status that can be used for the administration.

Car:

Number plate:

Date initial status:

Date final status:

From / to Address:

Purpose of journey:

**Attention!** With commuting is meant to travel back and forth between your home address and the location of your work.

**Attention!** If the employee has a company car, he may deduct the fuel costs that he himself has paid. Other costs such as those for car washing, etc. are not deductible.

**Attention!** In case you receive a reimbursement from your employer to cover costs, you must deduct this compensation from the costs.

**Attention!** For an overview of the costs that may or may not be deductible, you are referred to the table on page 13 of the explanatory notes.

## 4 Proceeds from business or profession

Here you specify the profit from business activities by submitting a balance and a profit and loss account. If you own a business or you practice a profession independently, you are obligated to keep a proper administration of your revenues and expenditures. You are referred to page 13 for an overview of the expenses that are not, or that are limitedly deductible. When calculating the profit you must at least consider the following points:

**Attention!** The proceeds of enterprise and labor does not apply on the following:

- a. an allowance for entrepreneurs of affected sectors that is provided on request by our Minister of Economic Affairs and Climate Policy in connection with an expected loss of sales as of March 1<sup>st</sup>, 2020 as a result of the measures to combat further spread of COVID-19;

- b. a subsidy that is provided on request by our Minister of Economic Affairs and Climate Policy to a company affected by the measures to combat the further spread of COVID-19, with the aim of enabling this company to pay its fixed expenses as of June 1<sup>st</sup>, 2020;

**Attention!** repayment of the aforementioned allowances and subsidies is not deductible.

#### Company car

If the car belongs to your business assets and the costs are deducted from the profit, you still have to consider the private use. Therefore you have to add to the profit 15% of the new value of the car, including sales tax and import duties; considering that the maximum actual costs minus 15% of the original purchase price of the car, including sales tax and import duties can be charged to the profit.

If the car is a private belonging, then the costs for business trips, with the exception of home-work commute, can be booked as business costs up to an amount of USD 0,20 per kilometer. You must enclose a comprehensive kilometer administration.

#### Immovable assets

If the immovable asset belongs to the business assets, the following situations can be distinguished:

1. the immovable asset is available as principal residence of the owner/ entrepreneur (own home);
2. the owner/ entrepreneur rents the immovable asset to third parties or makes it available to third parties;
3. the immovable asset is used by the enterprise/ company.

#### Residential property

If a residential property (own house) belongs to your business assets and this house is your principal residence you must add up the rental value of the house to the profit. You may deduct the maintenance expenses of the house from the profit. Costs of improvements are not deductible.

#### What is the rental value?

In the event that you provide your employee with a house free of charge, the rental value of the house is regarded as part of the employee's wage. For the application of this regulation, the rental value of a house which is made available as principal residence is set at 8% of 60% of the economic value of the house. In this context, the economic value is understood to mean the free market value.

#### Example

Your company owns a director's house with a free market value of USD 140,000. The economic rental value of the house then amounts to 8% of 60% of USD 140,000. This is USD 6,720 per year.

You make this house available to the doorkeeper as the current director has indicated that they do not want to live next to the company. The doorkeeper earns an annual salary of USD 14,000. Normally this employee would not spend more than 20% of their income on renting a house. Following a request to the Inspector for a decision, the rental value of the home will be set as USD 2,800 per year for this employee. If two months have already elapsed in which you added USD 560 per month to their wage, you may take into account USD 2,800 minus USD 1,120 for the remaining ten months, which is USD 168 per month (the difference divided by 10).

You may also make this home available to an employee with a salary of USD 33,500. This employee is married and their spouse earns a salary of USD 27,900 per year. The Inspector will reject a request to set the rental value at a lower rate, as the rental value is lower than 20% of the gross family income.

#### Example

A villa with a swimming pool valued at USD 365,000 is purchased for a director/majority shareholder. The house is provided free of charge. The director earns an annual salary of USD 20,000. The Inspector will reject a request to set the rental value at a lower rate, as providing the house is clearly part of the director's employment conditions.

**Attention!** Depreciation costs are deductible.

**Attention!** Mortgage interest is limitless deductible.

#### Example maintenance

Maintenance is painting, cleaning the yard, emptying the septic tank, maintenance of the swimming pool e.g. to maintain the property in the same state.

#### Example improvement

Replacing a fence made of wire mesh to place a concrete wall. It's not only maintenance. The value of the property will increase.

#### Rent immovable asset

If you rent an immovable asset that belongs to your business assets, the rental incomes are fully taxed and the costs such as maintenance, fire insurance, land tax, ground rent, long lease and depreciation are fully deductible.

#### Housing made available

If as an entrepreneur you make a house that belongs to your business assets available to an employee, the cost deduction is maximized. You cannot deduct more costs than the amount that is charged to the income as taxable rental value (income in kind), which is 4.8% of the selling price of the house plus 2% of the value of the house (for application of the land tax) up to a maximum of USD 1.676.

## 4b Deduction on investment

In the case in a calendar year an amount of over USD 2.794 is invested in business assets, 8% of the investment amount will be subtracted from the profit from both the year of the investment as the subsequent year. If this is an investment in new buildings or an upgrade of existing buildings, 12% of the investment amount will be subtracted from the profits.

## 4d Investment addition

Upon disposal of an asset on which deduction on investment has been received, a disinvestment addition must take place for both the year of disposal as for the subsequent year. The amount of the addition consists of a percentage of the transfer price, but is not higher than the investment amount. This percentage is dependent on the percentages applied (8 or 12%) with the investment. There is a disinvestment when a business asset is sold within 6 years (for buildings 15 years) after the start year in which the investment took place. If you have made investments for which you have claimed investment deduction, you must add to your annual documents a statement of depreciation, on which each business asset is specified separately.

## 5 Profits from periodical payments, belonging to the personal income

Disability benefits include also payments received in case of sickness or an accident. The benefit associated with the cessation of the company is a periodic payment which is stipulated in the sale of the company.

### Alimony allowance between spouses

Alimony allowance includes the amount that you have received from your ex-spouse (or the spouse from which you are permanently separated).

Alimony payments between ex-spouses are fully taxed to the receiver. The paying spouse may deduct the payments. See below question 14f of the tax return form. If this alimony is provided in kind, for example, in the form of the free use of the house owned by the ex-spouse who is bound to pay alimony, for living purposes, then this provision should be valued at 4.8% of the market value of the house.

### Alimony allowance for the children

Alimony allowance for the children is not taxed to the receiver and are not deductible for the payer.

For underprivileged children there is a possibility of deduction. See below question 16a of the tax return form.

## 6 Calculation personal income

With this question you may calculate your personal income and the income of your spouse.

## 7 Personal deductions

## 7a Life insurance, annuities and pension insurance

With this question you may indicate the premiums paid during the year for life insurance, annuities or pension insurance. The deduction of these premiums is limited to 5% of the personal income, but shall not exceed USD 559. If you have already deducted for the pension premium and/or contributions to savings and provision funds (see section 3 of the tax return form), these amounts must be reduced hereon. Only the balance is deductible.

## 8 Loss compensation

If your net income was negative in one or more of the preceding five years, you may settle the negative income with your positive income.

## 9 Tax free sum

### Tax free sum

You are entitled to the tax free sum. This tax free sum is subtracted from the taxable income. Thus you do not pay tax on the tax free sum. This tax free sum can be increased with the child allowance and the elderly allowance if you comply with the conditions mentioned hereafter.

### Elderly allowance

You are entitled to elderly allowance if you have reached the AOV-entitled age at the start of the calendar year. In 2023, it will be for those born in 1957 or earlier.

**Attention!** The child allowance has been abolished with effect from 01-01-2016. You will receive child benefit allowances from Social Affairs and Employment. The total amount you receive is not taxed for the income tax and you should not include this in your tax return.

**Attention!** The elderly allowance is granted regardless of whether you receive labor income.



## 10 Periodical benefits

### A periodical benefit must comply at least with the following conditions:

- the benefit should take place on a regular basis;
- the debtor is required to meet the periodic payments;
- the benefits should end no later than the death of the beneficiary or of a third party;
- the total amount of the benefit is not fixed;

A common periodic payment is the life annuity or the alimony from the ex-partner. A life annuity can be realized for instance through a life insurance agreement. A life annuity can be obtained with or without compensation.

**Attention!** If you have received a periodic benefit that is a value against compensation, only the amount that you receive in addition to what was paid (the performance) is taxable. Premiums that could have been deducted in the past or amounts on which no tax has been levied, shall not be included to what has been paid, because a periodical benefit has been stipulated for those amounts.

**Attention!** The periodical benefits cannot be connected to the employment of the person who receives the payment. Such payments, such as pensions, are taxed as revenues from labor.

**Attention!** Periodical benefits are not taxed if the benefits are received by persons that are related to the debtor by blood or by marriage (parents, children, grandparents, grandchildren) or in the second degree of kinship (brothers and sisters). Moreover, these payments cannot be a compensation. Therefore, the payments are in principle not deductible. If the revenues are a compensation, the benefits are taxable as soon as the benefits exceed the performance. The payments of the periodical benefits are only deductible, if the benefits exceed the performance.

## 11 Income of minors

The income of minors (with the exception of income from employment, business and profession, or personal allowances: these will be taxed on the child) are charged on the parent that has the custody of the child. The income of the minor is allocated to the parent/spouse with the highest personal income.

### Calculating net income minors

In calculating the net income of minor children you should consider the following components:

- Periodic payments
- Real estate
- Interest and dividend
- Other income

The sum of components is reduced by the costs related to:

- Personal expenses
- Extraordinary expenses

## 12 Interests and dividends

Here it concerns the interests, dividends and the like received in 2023. The interest or dividend is earned if you received it, but also if it became interest bearing, receivable or collectable.

12a Here you may fill in the domestic and foreign interests you received on your savings.

12b Here you may fill in the interest exemption. The interest exemption is up to USD 5.000 and USD 10.000, for married couples, but cannot exceed the amount of interest you have filled in question 12a.

12d In this question you have to specify any other interest, such as bonds and other claims. Thus, for this interest the exemption does not apply.

12f Here you may fill in the costs on the interest income as stated in question 12a and 12d.

12h For this question you have to state the income received from your shares.

12i State the dividend exemption here. The dividend exemption is up to USD 5.000 and USD 10.000 for married couples, but cannot exceed the amount of interest you have filled in question 12h.

12k Here you may fill in the costs on the dividend income as stated under question 12h.

12m Here you may fill in the (interest and dividend) income received from an undivided estate.

12n State the dividend/interest exemption not used in 12b and 12i.

12p Here you may fill in the costs bearing down on income from the undivided estate as stated in question 12m.

12r If the outcome of the calculation is less than 0 (nil), enter the negative amount in the table on page 16 for the year 2023. This loss can be settled over the next five years.



- 12s If the result of the calculation in question 12r is positive, you can fill in losses from this source of income for the past 5 years that you have not yet settled, in this box. This year then, the deductible costs that you have been unable to deduct in the past five years will be taken into account.
- 12u Here you may fill in the total amount of bank balances and other receivables.
- 12v Here you may fill in the total amount of foreign bank balances and other receivables.
- 12w Here you may fill in the amount of cash you had in your possession on December 31, 2023 if it was more than USD 2.794.
- 12x Here you may enter the withholding tax levied on savings from treaty countries.

## 13 Other income

### 13a to 13r Substantial participations

You have a substantial participation if you and your spouse hold (options on) a minimum of 5% of the issued capital in a company of which the capital is divided into shares. Moreover, the shares belong to a substantial participation if you own less than 5%, but your spouse or relative in the direct line hold 5% or more of the issued share capital.

The profits from the substantial participation are taxed at a rate of 5%.

The profit proceeding from substantial participation consists of the regular benefits, such as dividend payments and the received gains on disposal of your shares, your dividend right share or your claims.

The following situations are considered as disposal:

- the purchase of shares;
- the surrender and purchase of dividend right share;
- making liquidation surplus payable;
- the payment of debts;
- bringing shares into the capital of a company;
- the substantial participation ceases to exist;
- ceasing to live within Caribisch Nederland.

You calculate the disposal profits by subtracting the disposal price from the purchase price.

If you have established yourself in Caribisch Nederland, the step up arrangement applies for you. The step up arrangement means that at a later sale of shares belonging to a substantial participation, you only pay the difference between the value of the shares at the time of establishment in Caribisch Nederland and the disposal price. On the increase in value which occurred prior to the establishment date, no tax will be levied.

### 13s to 13w Other income

Here below you specify all other items not already listed as income in this section, such as:

- the surrender values of annuity insurances;
- the proceeds from the mere leasing of furniture, cars and audio equipment.

## 14 Personal expenses

### Own home

With an own home is meant a home ownership, not a rental home that is available to you.

An own home is also considered if:

- you lease the land on which the house is by means of a long lease;
- you rent the land on which the house is;
- you hold the land on which the house is in usufruct.

### Deductible expenses

- 14a You may deduct the maintenance costs (including the garden maintenance) of the own home which is available to you as a principal residence. This deduction may not exceed 2% of the value of the grondbelasting with a maximum of USD 1.676. Maintenance costs are costs you incur to preserve property in the same condition.

#### Example maintenance

Maintenance is painting, cleaning the yard, emptying the septic tank, maintenance of the swimming pool e.g. to maintain the property in the same state.

#### Example improvement

Replacing a fence made of wire mesh to place a concrete wall. It's not only maintenance. The value of the property will increase.

- 14b For (mortgage) loans, you may deduct up to USD 15.364 in mortgage rates and premiums for a descending life insurance related to the mortgage.

**Attention!** Also the premiums for fire and natural disaster insurance are fully deductible for the own home.

**Attention!** The maintenance costs and the mortgage interest including the premiums of a descending life insurance for a second home or a vacation home for example, are not deductible.

### Unmarried cohabitation

If you are cohabiting while being unmarried and your partner and you together own the home, then the following situations may occur:

1. You and your housemate both pay a portion of the mortgage interest. This portion equals your share of the debt. In this case, you may deduct interest you have paid.
2. One of you pay a higher mortgage amount in mortgage interest than corresponds to its share of the debt. You pay for example all the mortgage interest while your share of the debt is only 50%. This may be the case if your housemate had little or no income. In this case, you may deduct in principle all mortgage interest you have paid, unless you are only (clearly) doing this to achieve tax benefit. If the portion of the mortgage interest that you paid corresponds to the proportions of incomes of you and your roommate, then the Inspector will accept this at all time.

**Attention!** Unmarried couples that cohabit may deduct together a maximum amount of USD 15.364.

### 14f Life annuity

Here you may state the payments of annuities, pensions and other periodic allowances that are taxable incomes for the receiver.

**Attention!** The deductions of paid periodical allowances which are a compensation for their value, are only permitted in case more is paid in periodic allowances than the performance received.

**Attention!** The deductions of paid periodical allowances which are not a compensation for their value, are not permitted if the expenses were made for example to the following relatives:

- (great) (grand) children
- spouses of these children
- (grand) parents
- (half) brothers and (half) sisters and their spouses. To be clear: if you have paid alimony to your former spouse, you may deduct the payments. The amount you have paid as alimony to your underprivileged children, you may deduct as extraordinary costs. See below question 15a of the tax return form.

### 14g Interest and loan costs

With this question, you may deduct the interest paid by you and costs of loans to a maximum of USD 1.397.

Some examples are:

1. interest on personal loans;
2. interest calculated in payment and rent-to-own installments (e.g. the purchase of a car, furniture, TV, etc.);
3. interest on loans for the purchase of undeveloped land.

**Attention!** The repayment of the principal is not deductible from your income.

You may deduct a maximum of USD 1.397 as interest on debt. If you are married, the interest deduction is transferred to the spouse with the highest personal income who may then deduct up to USD 2.794.

The relation between the interest rate on a personal loan and the (mortgage) interest deduction:

#### Example 1

If the interest on a personal loan is USD 1.500 and your mortgage interest is USD 10.000, the unmarried taxpayer may deduct the interest on the personal loan up to a maximum of USD 1.397 and the mortgage interest up to a maximum of USD 10.000. For married couples the interest on the personal loan of USD 1.500 (up to a maximum for married couples of USD 2.794) and the mortgage interest of USD 10.000 is deductible.

#### Example 2

If the interest on a personal loan is USD 3.000 and the mortgage interest is USD 17.000, the unmarried taxpayer may deduct the interest on the personal loan up to a maximum of USD 1.397 and the mortgage interest up to a maximum of USD 15.364. For married couples the interest on a personal loan of USD 2.794 and the mortgage interest of USD 15.364 is deductible.

#### Example 3

If the mortgage interest is USD 25.000 and there is no further interest of a personal loan, the unmarried taxpayer may deduct in total USD 16.761 for mortgage interest, namely USD 15.364 and the unused portion USD 1.397 of the consumer interest. For married couples the mortgage interest of USD 18.158 is deductible (USD 15.364 and the unused portion USD 2.794 of the consumer interest).

### 14i Donations

With this question you may deduct donations made to religious, charitable, cultural, scientific institutions and aid organizations working for the general interest, which are established in the Caribisch Nederland. You are not permitted to deduct the total amount of the donation. Donations are only deductible as far as they are 1% of the personal income and also exceed USD 56. However, the deductible amount cannot exceed 3% of the personal income. If you are married, you must take the income of your spouse into account when calculating the thresholds for the combined personal income. Upon request should the donations be proven with supporting documents.

## 15 Extraordinary expenses

With extraordinary expenses is meant the expenses for:

- a. the support of children of 27 years and older as well as close relatives and sick or underprivileged children up to 26 years;
- b. sickness, childbirth, disability and death;
- c. training or study of yourself or of your spouse for a profession;
- d. study costs of children up to 26 years who are studying on a MBO, HBO, university or equivalent level.

**Attention!** The extraordinary expenses of married couples are always joined. The extraordinary expenses of the spouse with the lowest personal income are charged to the spouse with the highest personal income. The spouse with the highest personal income may deduct these costs. For the calculation of the threshold, you have to consider the joined income of your spouse and yourself.

### 15a Living expenses

You may deduct the necessary living expenses of the following family members of you and/or your spouse:

- children and adoptive children of 27 years and older;
- spouses and their children;
- parents (also adoptive parents) and grandparents;
- (half) brothers and (half) sisters and their grandparents.

The living expenses of these family members are deductible if these persons are not able to provide for their own livelihood. The deduction is limited to USD 1.397 per supported person. If you support for instance your father and your mother, the deduction is at most two times USD 1.397 or USD 2.794. In addition, the total amount that you are allowed to deduct is maximized. You may deduct 10% of your income as living expenses.

You may deduct the necessary living expenses of children up to 26 years who are unable to provide for their own livelihood due to sickness or deficiencies, without abovementioned limitations.

You may not deduct expenses for which you are entitled to compensations for instance from your employer, insurance company or support fund, not even if the compensation is received a year later.

### 15d Expenses for sickness, disability, childbirth and death

Expenses made for sickness, disability, childbirth and death of yourself, your spouse, your own children or children by marriage and foster children and of your relatives by blood and by marriage in the direct line (for example grandparents, parents, and grandchildren) or in the second degree of kinship (for example brothers and sisters) are deductible. These are for instance:

- 1 premiums for health insurance;
- 2 costs for doctors, dentists, hospitalization;
- 3 medications;
- 4 contributions to home health care societies;
- 5 glasses and contact lenses
- 6 funeral expenses (premiums for funeral funds are only deductible if no payment was received upon death).

Expenses of car trips for example due to sickness (for instance a doctor visit) are limitedly deductible. If you use your own car you may deduct an amount of USD 0,20 per kilometer. If you use the car of someone else you may deduct the fuel costs.

**Attention!** You may only deduct the portion of your living expenses, sickness costs, disability, childbirth and death that supersedes a certain minimum amount (the threshold). These costs may be deducted if, when combined, they amount to more than 5% of the personal income with a minimum of USD 838. For the calculation of the level of the threshold for married couples, the combined personal income of both spouses is taken into account.

### 15j The study for a profession for yourself or your spouse

The study must have as an objective to improve your social position from a financial and economic point of view.

The expenses for a study for a hobby or a study of a general nature are thus not deductible. The study expenses that you make in order to maintain your professional knowledge may be deducted as professional costs.

**Attention!** Only the following expenses are deductible as study costs:

- school or tuition fees;
- books;
- required learning material;
- airfare and 75% of accommodation costs.

**Attention!** Costs of personal computers and software, disks, printers, plotters, typewriters, word processors, calculators, copiers, fax machines, modems, monitors, audio equipment, video and telephone equipment, tools and musical instruments are not deductible. This includes also the costs of maintenance, repairs and insurance.

**Attention!** If you have to stay on another island of the Caribisch Nederland or abroad for your study or training, you may deduct 75% of the accommodation expenses.

**Attention!** Before deducting the study expenses, the possible payment or contribution of third parties such as the employer must be subtracted from the study expenses.

#### 15m Expenses for study costs of children

Only “pure study costs” are qualified for deduction. The deduction is a maximum of USD 5,587 per child. For a married taxpayer the deduction is USD 11,174 per child. “Pure study costs” entails the school or tuition fee, books and other mandatory learning material. Expenses made for computers, printers, audio equipment and similar devices are explicitly excluded from deduction.

The deductible costs also include the costs per year of one return ticket paid for by the parent, in case the child studies in another country.

**Attention!** You may qualify for deduction in case you can prove that your child receives no or only partial study grant and that you have paid the study expenses to be considered or part of these. In case your child receives full study grant you could also qualify for a deduction if you can prove that the study grant is not sufficient to cover the total study expenses and that you have paid a part of it.

#### Studying in the Netherlands

With regard to those who study in the Netherlands the following position is taken. The annual stipulation of the amount of the Dutch scholarship is based on fixed amounts for the annual school fees, books/ learning material.

#### Studying elsewhere

For students who are studying in for example the United States, you must present if requested, the official proofs of school registration, a specification of the tuition fee and the list of books of the concerning study year together with the corresponding payment receipts. You should therefore save these documents.

**Attention!** Only the following costs are deductible as study costs:

- school fee or tuition fee;
- books;
- required learning material;
- one airline ticket per child per year.

**Attention!** You have to present the following supporting documents. A message form of the ‘Dienst Uitvoering Onderwijs (DUO) van het Ministerie van Onderwijs, Cultuur en Wetenschap’ or RCN Studiefinanciering for a child studying in the Netherlands or in Caribisch Nederland on which the course the child is following and the study grant received is stated. Or a I-20 form for a child studying in the United States and a declaration of the study grant institute that indicates the amount of study grant the child has received. In addition, a proof of school registration must be enclosed for children of 16 years and older.

Furthermore, you have to send the supporting documents and a specification of the expenses made by you, if requested.

**Attention!** The costs of personal computers and software, disks, printers, plotters, typewriters, word processors, calculators, copiers, fax machines, modems, monitors, audio equipment, video and telephone equipment, tools and musical instruments are not deductible, even if these are considered as required learning materials. This includes the cost of maintenance, repair and insurance.



## Signature

After completing the tax return form, you must sign this. If you are married and your spouse is also co-filing, he/she also have to sign the tax return form.

## > Overview deductible costs

	Costs employee	Costs entrepreneur
Workplace in the home of the tax payer	Deduction on condition	Deduction on condition
Commuting between home and work	No deduction	No deduction
Vessels for representative purposes	No deduction	No deduction
Work clothing	Deduction	Deduction
Normal clothing	No deduction	No deduction
Professional literature	Deduction	Deduction
Private telephone subscription	No deduction	No deduction
Costs criminal activities	No deduction	No deduction
Bribes	No deduction	No deduction
Audio, video, computer and telecommunication equipment	Deduction, divide expenses over 3 years and threshold of USD 419	Complete deduction
Courses, conferences, seminars, symposiums	Deduction 75%, up to a maximum of USD 1.397	Deduction 80%
Personal care	No deduction	No deduction
Food, beverages and stimulants	No deduction	Deduction 80% see article 9c paragraph 4
Donations and business gifts	No deduction	Deduction 80% see article 9c paragraph 4
Representation (receptions, festive meetings and entertainment)	No deduction	No deduction
Excursion and study trips	No deduction	80%
Business trips	USD 0,20 per kilometer	For private car: USD 0,20 per kilometer. For business car: unlimited
Costs of car made available	Only the costs of fuel (gasoline or diesel)	Not applicable

## > How do you calculate your tax payable?

- 1. You calculate your payable sum by completing the summary statement on your tax return form.**
- 2. Using the rate table you calculate how much tax you owe on your payable sum.**

With a payable sum of

More than	But not more than	Is the tax the amount shown in column 3, together with the amount calculated by taking the percentage indicated in column 4 of the portion of the taxable sum that exceeds the amount mentioned in column 1.	
1	2	3	4
–	300.810	–	30.4%
300.810	–	91.446	35.4%

### Example

A taxpayer who lives in Bonaire has a taxable sum of USD 49.720. The tax owed is calculated as follows. USD 49.720 minus the tax free sum of USD 17.352 is USD 32.368. USD 32.368 x 30,4% is USD 9.839.

On balance, the amount to be paid to the inkomstenbelasting and premiums is USD 9.839. From there you have to deduct your "loonheffing!"

### 3. Overview tax free sum and allowance.

Tax free sum      USD 17.352

Elderly allowance    USD 1.470

### 4. The inkomstenbelasting and premiums will be settled with the in advance levy (voorheffing).

As voorheffing is considered the loonheffing, opbrengstbelasting and in some cases the bronbelasting which has been withheld on foreign income.

The following situations may apply:

- You will receive an assessment if the due taxes after settlement of the withholding taxes exceeds USD 168.
- You will receive a nil assessment if within 18 months of the end of the fiscal year a tax return was submitted and the refund to be received is no more than USD 84.
- The withholding taxes are higher than the taxes due. You will receive a refund if the total amount exceeds USD 84 and if you submitted your tax return within 18 months of the end of the fiscal year.

### Extraordinary rate

Substantial participations are taxed at the extraordinary rate of 5% (article 24B).