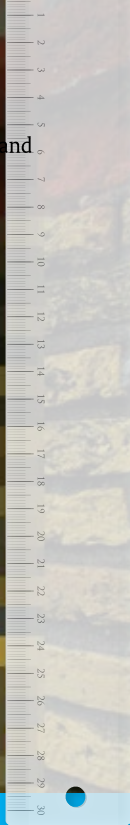




Caribisch Nederland  
Belastingdienst



# Vastgoedbelasting

## This flyer provides information regarding the vastgoedbelasting

Vastgoedbelasting (real estate tax) is levied on an annual basis on those who are entitled to the benefits of an immovable property on 1 January of any year. Usually this is the owner of the object. However in the case of long-term lease of land (*erfpacht*), the vastgoedbelasting is levied on the lessee.

The vastgoedbelasting is not levied on the value of:

- 1) the owner-occupied house: a house which is available to the owner, who is a resident of the Caribbean Netherlands, as main residence;
- 2) immovable properties which form part of the assets of businesses which are subject to IB [income tax] (for example a sole proprietorship).

Furthermore, exemption from vastgoedbelasting applies to amongst others:

- 1) undeveloped land owned by a private individual who is a resident of the Caribbean Netherlands;
- 2) the first USD 70,000 of the value of all second homes which are subject to the vastgoedbelasting. This exemption is applicable as of 1 January 2014. This exemption also applies to residential properties which are owned by public limited and limited liability companies, foundations, etc.

The Island Territory Bonaire levies *grondbelasting* (land tax) on the value of the owner-occupied house. The Island Territories Saba and Statia do not levy *grondbelasting*.

### What does this mean in practice?

In practice this means that the vastgoedbelasting is applicable to, amongst others:

- 1) owners of second homes located in the Caribbean Netherlands;
- 2) owners that rent out immovable property located in the Caribbean Netherlands;
- 3) public limited and limited liability companies, foundations, etc. which are established in the Caribbean Netherlands and which own immovable property located in the Caribbean Netherlands;

- 4) public limited and limited liability companies, foundations, etc. which are established outside the Caribbean Netherlands and which own immovable property located in the Caribbean Netherlands;
- 5) non-residents who own leasehold land or freehold land located in the Caribbean Netherlands.

### What is the assessment basis of the vastgoedbelasting?

The vastgoedbelasting is levied on the benefit derived from the immovable property. This benefit is a legally fixed percentage of 4% of the value of the immovable property, regardless the actual income it generates.

The value of the immovable property is established on its fair-market value. Consequently, the vastgoedbelasting due depends on the value of the property. This value is determined by the tax inspector for a period of five years. In case the value changes in the interim as a result of reconstruction, extension, or demolition, the tax inspector can reassess the value for the remainder of the period.

### Rate

As of 1 January 2015, the tax rate has been set at 17.5% on the calculated benefit. Effectively this means that a tax rate of 0.7% ( $17.5\% \times 4\% = 0.7\%$ ) is levied on the value of the immovable property. In case it concerns a hotel the rate is 10%, and 0.4% ( $10\% \times 4\% = 0.4\%$ ) tax is effectively levied.

### Changes

As of 1 January 2014, the increase in value of immovable property as a result of investments is exempted for the first ten years. If you want to make use of this exemption, you should request the form for application of the investment exemption from the Belastingdienst.



# Vastgoedbelasting

After submitting this form you will receive a decision from the inspector in which the amount of the exemption is established.

## Examples

- 1) On 1 January 2015 you own an immovable property in the Caribbean Netherlands with a value of USD 200,000 and it concerns a second home. An exemption of USD 70,000 applies to a second home. The tax is calculated on a value of USD 130,000. You pay a vastgoedbelasting rate of 0.7% (=USD 910) on this amount. In 2016 you add a porch worth USD 50,000 to the property.  
On 1 January 2017 you are still the owner of the residential property. Due to the investment exemption, the value of the porch is not added to the value of the immovable property during the first ten years. The tax is still calculated on the value of USD 130,000.
- 2) A company owns an immovable property worth USD 500,000 in 2015. It concerns a residential property. With effect from 2014, an exemption of USD 70,000 applies to residential properties which are not the main residence of the owner

(second homes). This exemption also applies to entities.

The tax is calculated on USD 430,000. The entity pays 0.7% vastgoedbelasting (=USD 3010) over 2015.

- 3) A company owns a hotel worth USD 300,000 in 2015. An exemption does not apply. For hotels owned by a non-natural person, the tax rate is 10%. Effectively, this means that 0.4% tax (=USD 1200) is levied.

## Surtax

Island Territory Bonaire levies 15% surtax.

The amount of the surtax is stated separately on the vastgoedbelasting assessment and is calculated on the amount of the vastgoedbelasting assessment.

If the vastgoedbelasting assessment is USD 1,200, the amount of surtax amounts to USD 180. The total levy in that year then amounts to USD 1380.

When an immovable property is subject to vastgoedbelasting, no grondbelasting is due.

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There is more information available on this topic.

Consult our website [www.belastingdienst-cn.nl](http://www.belastingdienst-cn.nl) or visit one of our offices.

