



Caribisch Nederland
Belastingdienst

Vastgoedbelasting

This flyer provides information regarding the vastgoedbelasting

Vastgoedbelasting (real estate tax) is levied on a yearly basis from those who are entitled to the profits of immovable property on January 1st of each year. Usually this would be the owner of the property, however in the case of long term lease of land (erfpacht), the vastgoedbelasting is levied from the lessee.

The vastgoedbelasting is not levied on the value of:

- 1) The private residence: a residence that is available as primary residence to the owner who is resident of the Dutch Caribbean;
- 2) Immovable property that forms part of the assets of a sole proprietorship (non-incorporated business).

Moreover, there is an exemption applicable for the vastgoedbelasting for (amongst others):

- 1) Undeveloped land owned by a private individual who is a resident of the Dutch Caribbean;
- 2) The first USD 50.000 of the value of secondary homes of private individuals. This exemption is applicable until December 31st 2013;
- 3) The first USD 70.000 of the value of all secondary homes that fall under the vastgoedbelasting. This exemption is applicable as of January 1st 2014. This exemption is also applicable for residences that are owned by legal entities such as an NV or BV (public or private limited liability company).

The Public Entity of Bonaire levies grondbelasting (ground tax) on the value of the private residence. The Public Entities of 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 secondary homes located in the Dutch Caribbean;

- 2) Owners that rent out immovable property located in the Dutch Caribbean;
- 3) In the Dutch Caribbean established entities that possess immovable property located in the Dutch Caribbean;
- 4) Outside the Dutch Caribbean established entities that possess immovable property located in the Dutch Caribbean;
- 5) Non-residents that possess land or long term lease land located in the Dutch Caribbean.

What is the taxable basis of the vastgoedbelasting?

The vastgoedbelasting is levied on the profit derived from the immovable property. This profit 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 fluctuates as a result of a reconstruction, expansion, or demolition, the tax inspector can reassess the value.

For the period between 2011 and 2014, the tax rate is 15% of the (fictional) proceeds. Thus, effectively, a tax of 0,6% (15% of 4%) is levied on the value of the property. In case of a hotel, the tax rate is 5%, meaning that effectively 0,2% is levied on the value.

As of January 1st 2015, the tax rate is determined at 17,5% on the proceeds. Effectively this means that a tax rate of 0,7% is applied to the value of the property. In case of a hotel, the rate is 10%, resulting in effectively 0,4% tax on the value.



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As of January 1st 2014, the increase of value of the immovable property is exempted for the first ten years (investment exemption).

Examples

- 1) Suppose, on January 1st 2013 you own an immovable property in the Dutch Caribbean with a value of USD 200.000. You are a private individual and it concerns a secondary home. For the secondary home, an exemption of USD 50.000 applies in 2013. The tax is calculated over a value of USD 150.000. On this amount, you pay vastgoed-belasting against a rate of 0,6% (=USD 900). In 2014 you decide to add a porch worth USD 50.000 to the property. On January 2015 you are still the owner of the residence with the finished porch. The value of the porch however is not added to the value of the home, because of the investment exemption. The tax is still calculated on the amount of USD 150.000, however in 2015 an effective tax rate of 0.7% applies (= USD 1.050).
- 2) Suppose, a legal entity owns in 2014 immovable property worth USD 500.000. It concerns a residence. Starting 2014, the value of these homes is exempted for the first USD 70.000.

This also applies to public entities. This means that the tax is calculated based on a value of USD 430.000. In this year, the entity pays 0,7% vastgoedbelasting (=USD 3.010).

- 3) Suppose, a legal entity owns in 2015 a hotel worth USD 300.000. There is no exemption applicable. For hotels owned by a non-private individual, the tax rate amounts 10%. Effectively, that means an applicable tax rate of 0,4% (10% of 4%), resulting in a tax of USD 1.200.

Surtax

Only the Public Entity of Bonaire levies 15% surtax on the vastgoedbelasting. This amount is mentioned separately on the tax assessment and is calculated on the due amount of vastgoedbelasting.

In the example of a vastgoedbelasting assessment of USD 1.200, the amount of surtax is thus USD 180. The total amount of tax amount then USD 1.380.

When an immovable property falls under the scope of the vastgoedbelasting, no grondbelasting is due.

