

Netherlands

# Parliament Backs Taxation of Share Buybacks, Increases to Bank and Income Tax Rates

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During the 2024 budget and Tax Plan debate a majority of the lower house of parliament backed a proposal of the Left Green (*Groenlinks*) opposition party to:

- tax share buybacks at the same rate as dividends distributions;
- increase the rate of bank tax (*bankenbelasting*), with the exact amount to be determined but aiming to raise an additional EUR 350 million; and
- increase the top rates of income tax for Box 2 (income of substantial shareholders) and Box 3 (income from savings and investment) by 2% – see also Note.

The [proposal](#), published on 21 September, is available on the lower house of parliament's website (in Dutch)(see also [2024 Tax Plan: Government Maintains CIT Rate, Strengthens Anti-dividend Stripping Rules, Tightens Interest Deduction for Real Estate Companies \(20 September 2023\)](#)).

*Note:* From 2024, Box 2 income is set to be taxed at 2 rates: 24.5% on the first EUR 67,000 and 31% on the excess. The proposed 2% increase would presumably result in a top rate of 33% for Box 2 in 2024.

Regarding Box 3, the 2024 Tax Plan already calls for a 2% increase from 32% to 34% in 2024. The proposal appears to call for a further increase to 36% but does not explicitly state so. It only states that both income tax measures seek to raise EUR 450 million.

If the government embraces the proposal, it could lead to amendments to the recently presented 2024 Tax Plan, providing more details on these proposed measures at that time.

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