

Netherlands

Tax Authority Presents Report on Taxation of Foreign Workers

22 February 2023

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On 15 February 2023, the tax authorities presented a report that gives an overview of wage tax issues that can arise in an international context. It focuses on foreign employers undertaking activities in the Netherlands.

Specifically, the report covers the following topics:

- permanent establishments: the domestic definition as well as an analysis of article 5 of the [OECD Model Tax Convention](#);
- the deemed permanent establishment under article 6(3)(c) of the Dutch Wage Tax Act: this is where a foreign intermediary, e.g. a temp agency, makes personnel available in the Netherlands;
- article 15 of the OECD Model Convention (income from employment);
- international levying of social security premiums, including the relevant EU rules;
- the (re)calculation of foreign remuneration under the Dutch rules; and
- the collection of taxes

The report uses case studies to illustrate the issues covered, and generally describes the rules and case law as per 1 January 2022. However, (very) important developments that have taken place after that date are also reflected in the report.

The report, entitled Foreign Workers and Wage Taxation (*Buitenlandse arbeidskrachten en loonheffingen*) is available on the [website](#) of the tax authorities (in Dutch only).

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