



Year-end pointers for everyone

With the end of the calendar year approaching, it's time to take a moment to see which matters require your attention in 2025. What new obligations will apply next year? What points do you need to consider before the end of this year, and are there any steps you may want to postpone until 2026?

In our Year-End Pointers, we provide tips and pointers for 2025, and we discuss what to take into account in 2026.

In these Year-End Pointers you can read more about key points of attention for your personal tax position. This includes the new tax rates, pointers for mortgages and owner-occupied homes, and developments in Box 3. If you have any questions, please do not hesitate to contact us. Your [Baker Tilly advisor](#) would be happy to explain how you can improve your tax position.

Please note: the House of Representatives and the Senate still need to approve a number of proposals, and this process will take longer than usual this year. It is possible that certain measures will be implemented in a revised form, or not at all. Your advisor can tell you more about the process.

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General pointers

Request tax averaging

If your income fluctuates significantly over three consecutive years, it may be beneficial to request tax averaging. Tax averaging means that your income in Box 1 (work and own-home) over a period of three consecutive years is added up and then divided by three. The personal income tax is then recalculated for each of the three years. The difference between the old and the new tax amounts can be paid out to you, taking into account a threshold of EUR 545.

The tax averaging scheme has been abolished, but it may still be possible to apply averaging over the 2022-2023-2024 period. A particular tax year can only be included in tax averaging once. A request for tax averaging must be filed ultimately 36 months after the last tax assessment for those three years has become final.

Request a preliminary tax assessment for personal income tax

Do you expect to have to pay (additional) tax in the tax year 2025? If so, you should consider requesting a preliminary tax assessment. Have you already paid a preliminary tax assessment? In that case, check whether the amount paid is in line with the expected tax assessment and, if necessary, request a revised preliminary tax assessment. In this way, you can limit the amount of legal interest due.



Pointer:

In principle, tax debts do not lower your Box 3-taxation. But if you pay any outstanding (provisional) assessments before 1 January 2026, your Box 3-taxation may be lower, as your taxable bank balance is lower. Bear in mind that the Dutch Tax Authorities usually have a processing time of 6 to 8 weeks for a (revised) provisional assessment.

No tax return filed, but entitled to a 2020 rebate? Submit your tax return as soon as possible!

Have you not yet claimed a rebate of personal income tax to which you were entitled for the tax year 2020? If so, make sure that you request the refund before 1 January 2026.

Pay your annuity premium in 2025

If you have a pension shortfall, purchasing some kind of annuity product may be an attractive option. Under certain conditions, the premiums you pay may be tax deductible. Within the boundaries of the so-called annual margin (and any remaining reserve margin) you can deduct annuity premiums in Box 1, in the year of payment. Do you own a qualifying annuity product in 2025, and do you have sufficient annual margin? If so, make sure that you pay the premium no later than 31 December 2025.

Please note: for certain actions, such as the conversion of a cessation profit or a fiscal retirement reserve into an annuity, other time limits may apply.

Effectuate the prenuptial annual settlement clause in 2025

Have you concluded a prenuptial agreement, which includes an annual settlement clause? If so, do not forget

to actually effectuate the settlement of that clause. Failure to do so can expose you to the risk that, in the event of a divorce or death, you will be treated (for Dutch tax purposes) as if you were married in community of goods.

Pointer:



Have you forgotten to effectuate the annual settlement clause in previous years? If so, there are ways of addressing this. Your Baker Tilly advisor can explain the consequences of not effectuating the settlement clause and how you can rectify this.

Please note: the consequences of changing your matrimonial property regime are expected to change soon. The dissolution of a marital community as a result of death (or in life) will be treated as an inheritance (or a gift) from one spouse, as of 1 January 2026, if the other spouse receives more than half of the joint property upon dissolution. This also applies to cohabiting couples and married couples with a settlement clause. The proposed legislative change still needs to be approved. It is expected that the new rules will not apply to acquisitions based on prenuptial agreements or cohabitation agreements that were concluded before 16:00 hrs on 16 September 2025. However, the legislative change will also apply to existing prenuptial agreements or cohabitation agreements regarding the share in the marital community of property or the settlement of assets that have been amended after that date.



Box 3

Taxation in Box 3

Taxation in Box 3 (income from savings and investments) is currently under scrutiny. In 2021, the Dutch Supreme Court ruled that the 'old' taxation system involving notional yields was in violation of European law. The legal restoration and bridging legislation that followed also proved to be inadequate. At the moment, it looks like the expected new taxation method will not be introduced until 2028.

The current system of taxation based on a notional yield will apply until the end of 2027.

Taxpayers may request a tax refund for certain years if they can demonstrate that their actual Box 3 yield was lower than the notional yield, under the so-called counterevidence rules.

If this applies to your situation, you will need to calculate and demonstrate that the actual yield is lower than the notional yield. You must do so for each separate year for which you want to claim a tax refund. The actual yield includes not only actual income, but also certain unrealised changes in value (such as the increase in value of a second home).

Please note: if you apply the counterevidence rules, you disregard the tax-free base and you must determine the actual yield for all your Box 3 assets. It is not possible to apply the notional yield to certain assets, while using the actual yield for other assets.



Pointer 1:

If you want to prove that your actual yield in a year is lower than the notional yield, you will need to keep record of more information and documentation than before. Consult with your Baker Tilly advisor whether this is necessary in your specific situation.



Are you entitled to a Box 3 rebate? Speak to your advisor to learn more.

Pointer 2:

Discuss with your advisor whether it is worth calculating the actual return. This may for example depend on the actual Box 3 tax paid in a year, the substantiating records available, and the ratio between the amount of tax to be reclaimed and the costs of the advice and the objection.

Pointer 3:

Would you like to apply for an ex officio refund for overpaid Box 3 tax for the year 2020? This is possible if your 2020 personal income tax assessment was not yet irrevocably determined on 21 December 2021, or if you received the assessment after that date. Bear in mind that the request must be submitted before the end of 2025.

Pointer 4:

The Dutch Tax Authorities have a standard form for declaring the actual yield (the 'Opgaaft werkelijk rendement'). A number of court cases on the exact method of calculation are still pending. Your Baker Tilly advisor can tell you more about the current state of affairs.

If possible, reduce your taxable base in Box 3 before 1 January

The personal income taxation in Box 3 is based on the sum total of your taxable assets on the reference date (which is 1 January of the tax year). If you are using the normal system (notional yield rather than the counterevidence rules), there are a number of simple steps to mitigate the Box 3 taxation:

- Repay small debts. If the total amount of your debts is under the debt threshold (2025: EUR 3,800, or EUR 7,600 for fiscal partners), these debts will not reduce your taxable base in Box 3. If you repay the debts before 1 January 2026, your bank balance on that date will however be reduced.
- Ensure that large expenditures are still made in 2025. For example, are you planning to buy a new car or put in a new kitchen? By paying for this in 2025, you will reduce your taxable bank balance.
- Pay tax assessments before 1 January. In principle, tax debts are not included in Box 3 and therefore do not reduce the taxable base. Therefore, pay any outstanding tax assessments before 1 January, where possible.

You can choose to apply the counterevidence rules at a later point, if it turns out your actual yield was lower than your notional yield.

Selling investments to reduce Box 3 taxation? Beware of anti-abuse provisions!

It may be tempting to temporarily convert Box 3 investments into bank assets before the reference date, and then revert back to investments shortly after the reference date. This is because, under the existing Box 3 rules, a distinction is made between bank and savings assets on the one hand, and other assets and investments on the other. These other assets in Box 3 are deemed to have a

higher (notional) yield, and consequently lead to a higher taxation in Box 3.

It is however important to note that in certain cases, anti-abuse provisions may be applicable. The Dutch Tax Authorities may for example ignore a sale followed by a buyback, if the transactions take place within a timeframe of three months, which starts before the reference date and ends after the reference date. The only exception is in cases where you can demonstrate that the transaction had valid business reasons. Restrictions also apply for certain dealings between a director-major shareholder and his limited liability company. Discuss this with your advisor beforehand.

Please note: the counterevidence rules also have certain anti-abuse provisions. For example, new measures were announced to repair a tax leak regarding bonds. Consult your Baker Tilly advisor for more information.

Take into account the interest over a gift on paper

Have you gifted an amount to your child, but not actually transferred the money? In this case, there may be a so-called 'gift on paper'. Essentially, you have gifted an amount and then immediately borrowed it back from your child. Interest should be paid over this loan, at a rate of 6%. Make sure that the payment of interest is actually performed (on time), as the gift might otherwise be regarded as part of the taxable inheritance upon death.

Please note: due to changes in the Box 3 rules, it has sometimes become less attractive to make (or maintain) a gift on paper. Discuss with your advisor whether it may be more advantageous for you to actually repay the debt.

Quickly look for a new (protected) tenant

Do you rent out housing to individuals who have rent protection? You may be able to apply the vacant value ratio (leegwaarderatio or 'LWR'), which means that you can claim a value reduction when determining the taxable value of the property for Box 3 (as well as gift and inheritance tax).

Since 2023, the LWR is set at 100% if there is a temporary tenant or rental to an associated party on the reference date. Effectively, this means that there is no value reduction. Do you rent out property temporarily, or to an associated party? Consider looking for a permanent tenant (with rent protection).

Please note 1: the rented state is assessed on 1 January of each year. Find a permanent tenant before 1 January 2026 if you wish to apply the LWR in 2026.

Please note 2: case law has confirmed that the valuation of rented property for inheritance & gift tax purposes may sometimes follow fair market value instead of the LWR if that is advantageous. However, in cases of non-market-rate rent between related parties, this case law can no longer be invoked as of 1 January 2026.

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Mortgage and owner-occupied home

Pay your 2026 mortgage interest ahead of time

If you pay the mortgage interest for your owner-occupied home ('eigen woning' or 'own-home') for the period up to 1 July 2026 ahead of time in 2025, you can under certain conditions deduct this amount in 2025. If you expect to fall in a lower tax bracket in 2026 (e.g. because you reach the retirement age), it may be worth paying the mortgage interest ahead of time.

However, deduction of the interest may take place at a rate of 37.56% in 2026 (37.48% in 2025). Discuss with your advisor what would be prudent in your case.

Please note: a payment ahead of time is only deductible to the extent that it pertains to the period up to 1 July 2026. Therefore, from a tax perspective, there is no point in making a payment for a longer period of time.



Pointer:

Payment ahead of time also helps reduce your taxable assets in Box 3 on the reference date. This can lead to a lower amount of Box 3 tax in 2026.

Consider whether it is worth repaying your mortgage in 2025

Do you have a mortgage with a high interest rate? If so, it may, from a tax perspective, be worth repaying this mortgage (this is especially true in the case of a mortgage without an annuity repayment schedule). If the yield on your savings is lower than your (net) mortgage costs, it is worth checking whether repayment might be advantageous. Please note that mortgage providers often impose a penalty for repayments of over 10% to 20% of the amount borrowed.

Please note 1: in the past, an own-home without a mortgage was effectively not taxed in Box 1, due to a deduction under the so-called 'Hillen Act'. Some years ago, it was decided that this deduction should be phased out. This means that owing an own-home without a mortgage can lead to taxation.

Please note 2: the bridging legislation in Box 3 is quite complicated. Be sure to weigh the benefit in Box 3 (lower bank balance) against the possible Box 1-disadvantage (less mortgage interest deduction) in advance.

The future of the mortgage interest deduction is up for debate, but no specific changes have been announced yet.



Check whether it is more advantageous to sell your home in 2025 or rather in 2026

Do you have an own-home with excess value and do you want to sell it without immediately buying a new home? In this case it may be prudent to postpone the sale until after 1 January 2026 (which is the reference date for Box 3). As long as your own-home falls within Box 1, you only pay a limited amount of tax on it. However, if you sell the own-home, your bank balance will be higher. This may result in a higher amount of Box 3 tax. Consider whether it would be prudent to sell in 2026 rather than in 2025.

Acquire a renovation debt in 2025

Do you want to renovate your owner-occupied home in 2026, and do you intend to finance this by other means than a deductible mortgage loan? By entering into the relevant agreements and obligations in 2025, you may reduce your taxable base for Box 3.

Gifting

Make use of the (increased) gift tax exemptions

In certain situations gift tax exemptions may be available. Your advisor can tell you more about the possibilities.

Please note 1: Dutch gift tax takes into account the place of residency of the person giving the gift rather than the recipient. Therefore, a gift made by a Dutch tax resident to a beneficiary abroad may be subject to Dutch gift tax.

Please note 2: the gift tax return for gifts in 2025 must be submitted before 1 March 2026



Pointer 1:

The increased exemption for gift tax regarding the owner-occupied home, was abolished in 2024. Did you (or your child) receive a gift in 2023 for the maintenance or improvement of the own-home, and did you make use of the gift tax exemption in this regard? In that case, make sure that the maintenance or improvement is paid for before the end of 2025. Otherwise, the exemption may not be applicable. This could result in gift tax being due.

Pointer 2:

If you are considering gifting a residence, bear in mind changes to the rules for valuations. Changes to the vacant value ratio in Box 3 may have repercussions for gift taxes. In some cases, it may be advantageous to gift a residence in 2025 instead of in 2026. For example, in some cases where the actual value of the home is more than 10% lower than the WOZ-value. Your Baker Tilly advisor can tell you more about these considerations.



Due to changes in the Box 3 rules, it may be useful to check whether any gifts on paper should be repaid. [Read more here.](#)

Assess periodic donations

In some cases, donations made to a Public Benefit Organisation ('ANBI') are deductible for personal income tax purposes. One of the terms for this is that the deduction is, shortly put, capped at a maximum of 10% of your total income.

Are you approaching this cap on deduction? Consider converting your annual donation into a periodic donation: in that case, the deduction is capped at EUR 250,000. Exceptions may apply for previously agreed upon obligations.

Please note 1: the EUR 250,000 cap applies both to the donor and their partner, combined.

Please note 2: the expected changes to the tax treatment of gifts by companies in 2025 did not lead to an abolishment of the deductibility, but rather to tighter rules. Read more about the tax treatment of donations for corporate income tax purposes in our Year-End Tips for entrepreneurs & director-major shareholders.



Read more about our Year-end pointers for employers, entrepreneurs, and director-major shareholders [here.](#)



This overview was written with due care and attention, based on the legislative proceedings until 1 October 2025. This overview is intended to be general in nature and should not be construed as specific advice or a comprehensive overview of all changes. A number of topics, pointers, measures, and legislative proposals were not included in this overview. Please note: several measures have not yet been finalised. It is possible that they may be changed during the legislative process. Discuss what the consequences of the proposed changes are for your situation with your advisor.