

Tax interest on personal income tax

Tax interest is a compensation to or from the Dutch tax authorities for missed interest. In case of an amount to be paid, interest may be due. In case of a refund, you may be eligible for a compensation under (very strict) conditions. This publication only describes the rules on interest on tax due. This means the tax interest charged for the period ultimately ending at the last day of the payment term of your tax assessment. The rules on interest on overdue tax for the period after the last day of the payment term of the tax assessment will not be discussed.

What is the percentage?

As of 2026, the interest rate for personal income tax has been determined at 5% (2025: 6.5%; in previous years the rate was different).

Discussion existed whether the level of interest on tax due is legally tenable. In its judgment of 16 January 2026 (ECLI:NL:HR:2026:59), the Supreme Court ruled that the higher rate for corporate income tax is not legally tenable. However, in this judgment, the Supreme Court also considered that the lower rate for other taxes, including personal income tax, is legally tenable.

Mass objection procedure

For personal income tax, as well as for corporate income tax, a mass objection procedure had been initiated. Given the aforementioned judgment, we expect that a collective decision by the Dutch tax authorities on both the objections for personal income tax as well as for corporate income tax will follow shortly. Only after this collective decision has been made will the individual objections be processed. We expect that the objections against the interest rate for personal income tax will be rejected. As this is not yet certain at the time of preparing this publication, we advise you to contact us as soon as possible after the date of your (preliminary) assessment. Your BDO-advisor can then review the assessment and, if desired, submit a request or objection in time.

For which period is tax interest due?

As a main rule, interest on tax due is calculated for the period starting six months after the calendar year ends. This means for the 2025 tax year that the calculation of tax interest starts on 1 July 2026. For 2026, the calculation of tax interest starts on 1 July 2027. Furthermore, the interest calculation stops:

- ▶ 19 weeks after the tax authorities have received the tax return; or
- ▶ 14 weeks after the tax authorities have received a request for imposing or adjusting a preliminary tax assessment; or
- ▶ on the end date of the payment term of the tax assessment if that is earlier than in the points mentioned above.

For the first two bullet points, the condition applies that the tax assessment has been imposed in accordance with the filed tax return or with the filed request.

In some cases no tax interest should be charged over periods in which the tax due had already been paid to the Dutch tax authorities. This applies to situations in which a preliminary tax assessment is paid first (e.g. €100), after which the amount is completely refunded through a lower second preliminary tax assessment and then the amount of €100 must be paid again according to a third preliminary tax assessment. In this case, no tax interest may be charged on the amount of €100 in the third preliminary tax assessment for the period in which the first preliminary tax assessment was already paid (the

period from the date of the first preliminary tax assessment until the date of the second preliminary tax assessment).

Tax interest (if applicable) is due over the full period of the payment term of a tax assessment, even if the tax assessment is paid earlier than at the end of the payment term. There are other situations possible in which tax interest is charged over a period in which the personal income tax had already been paid. The Dutch tax authorities do not always automatically take these situations into account when charging tax interest. Please contact your BDO-advisor whether in these cases a request to the tax authorities or an objection to the tax assessment could lead to a reduction of the charged tax interest.

How can the amount of tax interest be limited when there is an amount to pay?

No tax return filed and no preliminary tax assessment imposed

Years up to and including 2024

File the tax return as soon as possible or, if not yet possible, file a request for a preliminary tax assessment that corresponds as much as possible to the (yet to be prepared) tax return. After all, tax interest is due 6 months after the end of the calendar year.

2025

If no tax assessment for 2025 has been imposed yet, a request for a preliminary tax assessment must be received by the tax authorities before the 1st of May 2026. If so, no tax interest should be due (apart from any later increases in the taxable income or other corrections).

Preliminary tax assessment too low or too high

If the Dutch tax authorities overestimate your taxable income in the imposed preliminary tax assessment, we advise you to take action as you probably prefer to have the liquidity at your disposal. If a preliminary tax assessment has been imposed with a taxable income which is less than your expected taxable income (for 2025 or previous years), action is required considering the perspective of a tax interest charge on the future payable amount. Hence for the 2025 tax year, a request for revision of the preliminary tax assessment should be received by the tax authorities no later than 30 April 2026.

2026

If you expect a higher personal income tax liability for 2026, and this is the result of a relevant change in your circumstances which is important for the imposed tax assessment, you may

be required to file a request for an adjustment of the tax assessment with the Dutch tax authorities as soon as possible. When in doubt, please contact your BDO-advisor. In all other cases your request for an adjustment of the tax assessment must be received by the Dutch tax authorities no later than 30 April 2027. This is to prevent tax interest as much as possible.

Positions or points of discussion within your personal income tax return

When taking a position in the tax return, the tax interest consequences of the Dutch tax authorities not agreeing with that position should be considered prior to filing the tax return. After all, tax interest will be charged on any amount still to be paid. When the position in the filed tax return is afterwards challenged by the tax authorities, this tax interest aspect should also be considered in the decision-making process regarding filing an objection or appeal. In such cases, please contact your BDO-advisor.

Points of attention

Anti-abuse provision

The law contains an anti-abuse measure with regard to requesting (a revision of) a preliminary tax assessment. In theory, well-intentioned taxpayers can also be confronted with this measure, although we believe that this measure is not intended for such purpose.

A fine may be imposed for intentionally providing incorrect or incomplete information in the request for a tax assessment or revision of a tax assessment. The fine amounts to a maximum of 100% of the amount of tax that has been or would have been incorrectly refunded or not paid due to the incorrect information or data. In order to prevent this, we advise documenting how you have estimated your taxable income for each request for a preliminary tax assessment or adjustment of an already imposed preliminary tax assessment.

Informing relevant changes

It is important to inform your BDO-advisor as soon as possible when any relevant changes occur in your circumstances that could be important for the (to be) imposed preliminary tax assessment. Changes in circumstances may lead to a revision of the preliminary tax assessment. Please contact your BDO-advisor as soon as possible to determine whether it is desirable or even necessary to file an electronic request for an adjustment of your preliminary tax assessment with the Dutch tax authorities. When you report this change in time, the inspector can issue a new preliminary tax assessment without tax interest being charged.

A change in circumstances that can be relevant for your preliminary tax assessment is for example when your income or the income of your partner increases. This could include a higher income of your own business or partnership, insofar this is taxed in your personal income tax return. Furthermore you may consider receiving dividend distributions from your company or entering into loans with your company by you or by related persons to be relevant changes. Moreover, a change in your personal situation can also be relevant such as a marriage or changes that we do not hope occur, such as a divorce or the passing away of a relative.

Box 3 and personal income tax debts

Tax debts normally cannot be deducted in box 3. There are some exceptions to this rule. One of these exceptions could be timely filing a request for a preliminary tax assessment or timely filing the tax return, but not reasonably being able to pay the tax due before the end of the calendar year. For this purpose, the request or tax return has been filed in time when it is received by the tax authorities 8 and 13 weeks respectively before the end of the calendar year. Please contact your BDO-advisor in order to verify whether you meet all of the required conditions and how to process this correctly in your tax return.

By timely requesting a(n) (additional) preliminary tax assessment or timely filing your tax return you can thus save personal income tax in box-3 for the year 2027.

In conclusion

If the Dutch tax authorities overestimate your income in the imposed preliminary tax assessment, we advise you to contact your BDO-advisor to file a request for adjusting this assessment.

If insufficient taxable income is included in your preliminary tax assessments over the years up to and including 2024, immediate action is required to limit the accruing tax interest as much as possible. If insufficient taxable income is included in your preliminary tax assessment over 2025, we recommend contacting your BDO-advisor to make sure the tax authorities receive the request for an adjustment of the tax assessment no later than 30 April 2026. As long as there are not any subsequent increases in your taxable income and no other corrections take place, no tax interest will be due.

If insufficient taxable income is included in your 2026 personal income tax assessment, please contact your BDO-advisor to determine when it is desirable or even necessary to file an electronic request for adjustment of your tax assessment with the Dutch tax authorities.

Finally, please inform your BDO-advisor of any relevant changes in your circumstances. This way you could stay compliant and prevent the 5% tax interest charge by the tax authorities as much as possible.

MORE INFORMATION?

Do you have questions? Please contact your contact person within BDO. Your questions will be answered as soon as possible.

E-mail info@bdo.nl

Although this publication has been prepared and put together with due care, its wording is broad and the information contained in it is general in nature only. This publication does not offer recommendations for concrete situations. Readers are explicitly discouraged from acting, not acting or making decisions based on the information contained in this publication without having consulted an expert. For an advice geared to your specific situation, please contact BDO Accountancy, Tax & Legal B.V. or one of its advisers. BDO Accountancy, Tax & Legal B.V., its affiliated parties and its advisers do not accept liability for any damages resulting from actions undertaken or not undertaken, or decisions made on the basis of the information contained in this publication.

BDO is a registered trademark owned by Stichting BDO, a foundation established under Dutch law, having its registered office in Amsterdam (The Netherlands).

In this publication 'BDO' is used to indicate the organisation which provides professional services in the field of accountancy, tax and advisory under the name 'BDO'.

BDO Accountancy, Tax & Legal B.V. also acts under the (trade)names: BDO Accountancy, Tax & Legal, BDO Accountants, BDO International Tax Services, BDO Tax Consultants, BDO Global Outsourcing, BDO Accountancy & Tax, BDO

Outsourcing, BDO Retail Accounting, BDO Tax, BDO Legal, BDO Tax & Legal, BDO Accountants & Belastingadviseurs, BDO Belastingadviseurs, BDO Real Estate Valuation Services.

BDO Accountancy, Tax & Legal B.V. is a member of BDO International Ltd, a UK company limited by guarantee, and forms part of the worldwide network of independent legal entities, each of which provides professional services under the name 'BDO'.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.