

Tax plan BES islands 2025

Measures	Description
TAX ACT BES (Property tax/distribution tax/turnover tax)	
Reduction of the investment incentive period for real property tax (Tax Act Bes)	In 2014 and 2015 the period to apply the investment incentive for real property tax was extended to eventually ten (10) years. This will be shortened to five (5) years.
Increase statutory rate real property tax for hotels	The temporary reduction of the statutory tax rate for hotels introduced in 2013 ¹ will gradually be reduced. For 2025 the rate will be amended from 10% to 11% (effective tax rate from 4% to 4.4%).
Increase statutory rate distribution tax and income tax for substantial interest holders	The rate for distribution tax and income tax for substantial interest holders will be increased: from 5% to 7.5%.
Structural indexation ABB exemption for small businesses	From 2025 onwards the (\$20,000) turnover tax threshold will be increased with a qualified inflation percentage.
INCOME AND WAGE TAXES	
Finetuning definition principal residence (own home)	For income tax purposes the definition of what constitutes a principal residence will be amended.
Distribution tax and income tax	The distribution tax due in cases where body corporate is dissolved or migrated outside of the BES-islands are subject to 5% distribution tax. The income Tax will be amended in such a way that it is better expressed that the distribution tax cannot be regarded a pre-tax of any income tax in that year.
Tax free allowance linked with minimum income	From 2025 onwards the tax free allowance will be paired with the annual minimum income.
Amendment application 2 nd band of income tax	The 2 nd band of income tax (35.4%) will be lowered and shall apply from taxable income from \$50,000 and higher.
Annual amendments inflation correction methodology	The inflation correction methodology will be amended to reflect the most accurate numbers of residents of each island/public entity.

¹ The Dutch text mentions 2023, this should be 2013.

Amendment in technical clause	Through the amendment in this clause; the legally defined term of “wage” will also apply to the Income Tax Act BES.
Cancellation exemption future wage entitlements	The exemption for newly gained future wage entitlements will be cancelled. Transitional rules shall apply for current future wage entitlements.
Wage Tax Act BES chapter revision	The set-up of the Wage Tax Act BES will be amended such that the application will be made more consistent (less fragmented).
Benchmark tax base for wage taxes more consistent	All rules that determine the tax base in the Wage Tax Act BES will be brought in one chapter of the Act.
Amendments notional wage rules (Wage Tax Act)	The efficiency-threshold of 10% is further finetuned so that it cannot apply under the fixed notional wage amount (2 x tax free allowance).
Saving funds and other income provisions	All entitlements to future distributions will be relabelled. All contributions from the employer is considered taxable wage; all future distributions are not taxed.
Amendments tariffs for wage tax purposes	Technical amendments as a result of which the current rules regarding the calculation of wage taxes are being applied consistently independent if calculated per week, per four weeks, per month, year etc.
Amendments highest wage tax rate for not identified employees (anonymous rate)	The highest anonymous wage tax rate in the Wage Tax Act BES will also apply if: <ul style="list-style-type: none"> - An employee does not provide his CRIB number to the employer - The identity is not verified in a correct manner
Determination identity employees	In order to tackle illegal labour, rules will be introduced to establish the identity of an employee through an official ID document and a copy of this document should be filed in the administration/books of the employer.
Amendments obligations employee and employer	Codification of already existing practice; introduction of several bye-laws with rules how to organise ledgers with information about wages etc.

Amendments in the rules for alternative taxpayers for wage tax purposes	The Wage Tax Act BES will include new rules for wages that have incorrectly not been taxed in earlier years.
CUSTOMS ACT	
Customs (REX-system)	Legislation with respect to documents relating to evidence to determine the origin of certain goods (imported in the BES-islands) will be amended.
Amendments rules regarding labelling of containers	Rules for applying identification methods (such as seals) on containers etc. will be adjusted. Also, a penalty rule will be introduced if such seals are removed without authorisation.
Adjustments penalty regime Customs Act BES	The administrative penalty regime is amended so that persons that have used the import exemption in the past incorrectly can be fined.
Terms used in the Customs Act BES	The definitions of personal cars and transportation cars will be amended so they align with the definitions used in the Tax Act BES.
Temporarily import of tugboats	The temporarily use of tugboats from outside the BES-islands within the territorial waters of the BES-islands (for limited periods) will be adjusted.
Refund excise duties	The rules to receive a refund of excise duties will be broadened.