NAHV year-end tips 2021

The key tax tips for year end

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providing financial services
to creative entrepreneurs

Income tax

- ☐ Have NAHV adjust your 2021 provisional income tax assessment to avoid unnecessary interest next year (4% annualised).
- ☐ Make the most of the investment deduction (your investments must amount to more than EUR 2,400 on an annual basis and at least EUR 450 per investment) by making necessary investments in your company this year.
- ☐ Save on tax by optimising your ZZP/DGA pension plan before the end of the year. Make your deposit before the end of the year and have NAHV calculate your tax allowance.
- ☐ Leave low-yield liquidities (savings and low-yield investments) in your sole proprietorship or private limited company.
- ☐ If you already have a (savings) B.V. and excess savings in Box 3, deposit those savings as capital in the company bank account before 31 December 2021.
- ☐ Mortgage rates are still historically low. But capital market rates, and therefore mortgage rates, are on the rise. Have NAHV conduct a free Mortgage Check to see if your monthly costs can be reduced. It may be to your benefit to refinance your mortgage this year. This year, the penalty is still deductible at a maximum rate of 43% (next year it's 40%). We expect that the mortgage interest deduction to be reduced again soon. Ask your mortgage provider if it's possible to pay the interest up to and including 1 July 2022 in advance.
- ☐ Bundle all your healthcare expenses and gifts before the end of the year.
- ☐ If you make large annual donations to a single charity, convert it to periodic donations for at least five years (with an agreement), so the deduction is not limited by a threshold.
- ☐ Pay attention to the income and capital limits for benefits. Adjust your information well in advance so that you do not have to repay any benefits.
- ☐ Pay your spousal support in advance before the end of the year. In 2021, spousal support is still deductible at 43% (in 2022, it's 40%)
- ☐ If you have built up a tax-deferred retirement reserve, keep from having to pay tax on it later by depositing it in ZZP pension or a blocked savings account before the end of the year.
- ☐ Pay your health care premiums or disability premiums a year in advance before 1 January 2022. It will give you a discount on your premiums and you'll save on capital gains tax.
- ☐ If you bought an electric car as a private person, apply for a subsidy (MIA/VAMIL).

Gifts

- [ ] This year, you can still gift EUR 6,604 to your children tax free or up to EUR 3,244 to your grandchildren tax free.
- [ ] This year, you can still gift EUR 105,302 to your children, provided that your child or their partner is under 40, and the donation is used to purchase, improve, or renovate their home.

Director major shareholder

- [ ] As a DMS, pay out a bonus (and don't forget untaxed reimbursement of expenses as well) before the end of the year, so you can make the most of your personal deductions.
- [ ] Have you fully used the free margin in the work-related costs scheme (3% of the first EUR 400,000 in wage costs in 2021) for this year?
- [ ] If you have a holding structure as a DMS, optimise your profits by taking advantage of the rate step-ups in corporate tax.
- [ ] As a DMS, pay out a dividend before the end of the year to anticipate rising tax rates and the legislative proposal on excessive lending.
- [ ] Have you used your car for almost 60 months in order to avoid a higher additional taxable benefit? Then consider transferring the car from company (BV) ownership to private ownership before the end of the year to avoid a higher additional taxable benefit.

Financial

- [ ] Have NAHV and our partners recalculate your disability insurance premium and benefit from initial discounts and a lower premium.
- [ ] Let NAHV automate your administration so that it takes less work and you have more insight into your current situation.
- [ ] Avoid negative interest by spreading your savings across different banks and accounts.

Plan an appointment with your dedicated NAHV account manager via Zoom or Teams before the end of the year. You can discuss with them whether these tips apply to you. So don't wait until it's too late, call +31 (0)20 - 622 55 09 to set up an appointment.