



You're prepared
because we prepared

EMERGENCY PACKAGE 3.0 IN CONNECTION WITH THE CORONA CRISIS.

On August 28, the Dutch government informed the Dutch parliament on the so-called emergency package 3.0 in connection with the corona crisis. The measures from the third emergency package are designed to support companies and employees with the economic consequences of the measures against the corona virus. The measures consist of a comprehensive support and recovery package in which besides support it also focuses on investments and a social package. In this alert we inform you about some elements of the emergency package 3.0.

Temporary arrangement compensation labor costs (NOW)

The purpose of the NOW is, in brief, to make it for employers with a decrease in turnover of at least 20%, to keep as many employees as possible under employment. A subsidy of 90% of the wage costs relating to the turnover decrease could be requested for. The aim and method of calculating the subsidy has not changed.

NOW 3.0

The following changes in the NOW-regulation are announced through the emergency package 3.0.

- The NOW subsidy will be extended as from 1 October 2020 with 3 terms of 3 months. The first term reflects the period from 1 October 2020 through 31 December 2020, the second term from 1 January 2021 through 31 March 2021 and the third term from 1 April 2021 through 30 June 2021.
- The minimum turnover decrease in the first term remains at the level of 20%.
- Out of the subsidy of 90%, 10% will be used for training and work-to-work projects.
- The remuneration for employers is thus 80%.
- The remuneration in the second term will be lowered to 70% and in the third term to 60%.
- To be able to adjust the company management it is possible to decrease a part of the total wage cost without a reduce of the subsidy. The exemption increases. (first term: 10%, second term 15% and third term 20%).
- The maximum wage that is remunerated per employee in the third term is changed to the so-called daily wage times 1 (in NOW 1.0 and 2.0 and the terms 1 and 2 of NOW 3.0 it is twice the daily wage or in other words € 9.538 per month).
- Companies will still have the obligation to make an effort on providing training and it is still prohibited to distribute dividend and / or bonuses.
- The aim is to open the next term for requests per 16 November 2020 (from 1 October tot 31 December).

Reimbursement Fixed Costs (TVL)

For companies affected the most by the corona crisis the so-called TVL subsidy will be extended for 9 months. The amount of subsidy depends on the size of the company, the amount of fixed costs and the percentage of turnover decrease. The maximum subsidy is € 90.000 for three months. To qualify for the subsidy, a turnover decrease of minimum 30% is required. The TVL subsidy is accessible for all sectors which are currently already covered by the existing TVL.

As from 1 January 2021 the TVL will focus on companies that are most affected in their business operations. The minimum turn over decrease as of 1 January 2021 will be increased to 40% and from April 2021 to 45%.

Temporary bridging measure for self-employed professionals (Tozo)

Via the Tozo entrepreneurs receive support in the form of welfare for cost of living on one hand and possibilities to obtain a loan for operating capital in case of liquidity problems on the other hand.

The Tozo-measures are extended for 9 months until 1 July 2021.

The new 'Tozo 3'-measures will, next to the existing requirements of Tozo 2, contain a limited equity test. An entrepreneur does not qualify if he has more than € 46,520 of direct available funds (including securities).

During the extension period, the measure will become more focused and preparations for a new future is being stimulated. As from 1 July 2021 the normal Regulation Granting Welfare for Self-employed Professionals ("Besluit bijstandverlening Zelfstandigen 2004 ("Bbz")) applies.

Extra sector specific support

The government decided on an extra support package for specific sectors including:

- Cultural sector
- National public broadcaster
- Zoos
- Event sector
- Travel sector

Liquidity support

The measures that support the liquidity of companies keep in place:

- Extension of the guarantee SME (BMKB-C) through 1 April 2021.
- The Corona module in the measure Warranty Corporate financing (GO-C) and the measure Small Credit Corona (KKC) are available up to 31 December 2020.

Extension of payment of tax debts

In a separate letter the State Secretary of Finance will inform the parliament on various tax aspects of the emergency package 3.0.

Reduction of temporary extension measures

Collection of new tax debts will be resumed as per 1 January 2021 and this applies to all entrepreneurs. If extended special extension has been granted this will end per 1 January 2021. More specific, this implies that as from 1 January 2021 entrepreneurs need to pay their taxes over the term of the fourth quarter of 2020, of December 2020 and of the 13th four-week period of 2020.

Redeem of accumulated tax debt

The accumulated tax debt can be repaid within a 24-months period (maximum), starting from January 2021, where no security needs to be provided. If a taxpayer is not able to repay the tax debt within 24 months, it is possible to get into contact with the tax authorities for a further extended extension. In this case stricter conditions will apply.

Communication

Entrepreneurs that received special extension till 1 January 2021 will receive a letter in December 2020 with a repayment scheme of the accumulated debt. The tax debt is an indication because the debt of the last term in December is not yet clear. In March 2021 a new letter with the remaining payment terms will be received, including (possible adjusted) relating amounts. Extended special extension of payment can be requested for until 1 October 2020, whereby a third-party expert declaration and a liquidity forecast should be provided.

Tax and recovery interest

Reduction of recovery interest to 0.01% will remain until 31 December 2021. As from 1 October 2020 the tax interest will be 4%. For the CIT this will also be 4% (instead of the previous 8%), and be in force through 31 December 2021.

Measures aimed on investments

The third recovery and support package aims also on investments. This package of measures is based on four guidelines:

- Speed up public investments
- Trigger and boost private investments
- Strengthen solvency position of Dutch companies
- Stimulate innovation

Currently the above measures are being further developed. The government will provide further information on budget day (third Tuesday of September).

For an explanation on the tax measures we refer you to our [special Corona crisis page](#).

More information?

If you need more information please reach out to your trusted RSM advisor or send an e-mail to: maatregelencorona@rsmnl.nl.