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because we prepared



GOVERNMENT INTENDS TO EXTEND SUPPORT PACKAGE TO THIRD QUARTER OF 2021!

The prospects for economic recovery after Corona are positive and the virus appears to be in decline. Yet many uncertainties remain both for workers and companies. Some entrepreneurs were forced to considerably eat into their reserves. Therefore, the government plans to extend the support package for jobs and the economy to Q3 2021. In addition, the government is implementing further measures to assist companies with their growing debts. In this newsletter we provide an overview of the most important (proposed) support measures for Q3 2021.

NOW

Objective of NOW 4

The objective of NOW 4 is to assist employers faced with a decrease in turnover in paying their wage costs. This is a continuation of the previous schemes, known as NOW 1, NOW 2 and NOW 3.

NOW 4 in a nutshell

NOW 4 provides for an allowance for wage costs for the period 1 July 2021 to 30 September 2021. The maximum reimbursement rate remains at 85% and the wage bill exemption remains at 10% of the wage bill. To qualify for NOW 4, companies must demonstrate a decrease in turnover of at least 20%. Furthermore, the fixed supplement of 40% and the maximum payment per employee of twice the maximum daily wage remain unchanged. February 2021 will be used as the reference month for the wage bill.

Concurrence of NOW/TVL

From NOW 3 (the subsidy periods from October 2020) onwards, the TVL will no longer be regarded as turnover under the NOW scheme. As a result of this change, many employers will receive more subsidy when applying for the final subsidy from NOW 3 onwards.

Table 1: NOW shown in table

	NOW-3 Q2 2021	NOW-4 PROPOSAL Q3 2021
Turnover threshold	20%	20%
Subsidy percentage	85%	85%
Daily wage	2x	2x
Exemption	10%	10%
Supplement	40%	40%

TVL

Previously it had been announced that the TVL would be granted at least until Q2 2021. The government has now indicated that it intends to continue the TVL also in Q3. It has been announced that, as from Q2 2021, companies will be able to choose the reference periods for the TVL (this option is not available for Q1 2021). Furthermore, starting in Q2, the subsidy ceiling for the TVL for large enterprises will be increased to € 1.2 million. This is partly to compensate for the group scheme set up for the purpose of large enterprises, which may be perceived as unfair in comparison with the SME subsidy.

Since the TVL subsidy for SMEs is granted to each separate entity, the total subsidy of a group of such enterprises can be higher than for large enterprises that receive the subsidy as a group, if there is a group. In this regard, we would like to refer to our [newsletter on the Q1 TVL for Large Enterprises](#), in which we discuss the Large Enterprise and SME regime, as well as the group concept for large enterprises within the TVL in more detail. Table 2 below contains an overview of the newly announced TVL measures.

Table 2: TVL shown in table

	TVL Q2 2021	TVL Q3 2021
Turnover threshold	30%	30%
Subsidy percentage	100%	100%
Max. subsidy amount SME*	€ 550,000	€ 550,000
Max. subsidy amount large enterprises*	€ 1,200,000	€ 600,000
Other	– min. reimbursement € 1,500 – SME en non-SME – fixed costs threshold € 1,500	

* Max. subsidy amount for entire state aid period is € 1.8 million (state aid ceiling)

Fiscal measures

Special (extended) tax deferral

The special tax deferral expires on 1 July 2021. As of this date, an entrepreneur will be required to resume paying tax. This means, for example, that payroll tax for the month of June 2021 must be paid in July 2021.

Tax debts accrued under the special deferral regime must be repaid over a 5-year period (60 months), starting on 1 October 2022. Here we see a relaxation of the current promise whereby the tax debt had to be repaid over a 36-month period, starting on 1 October 2021.

It should be noted that companies can only take advantage of this payment scheme if the new obligations after 1 July 2021 are complied with in time.

Interest on overdue tax gradually increased

The current interest rate on overdue tax is 0.01%. This interest rate on overdue tax will be increased to the 'normal' rate of 4% as follows.

Table 3: interest rate on overdue tax

DATE OF CHANGE	PERCENTAGE
1 January 2022	1%
1 July 2022	2%
1 January 2023	3%
1 January 2024	4%

Extension of existing fiscal measures

Initially, the measures below would only apply until 30 June 2021. It has been proposed to extend these measures until 1 October 2021. It concerns the following measures:

- postponement of administrative obligations with respect to payroll taxes;
- the agreement with Germany and Belgium on the taxation of cross-border workers;
- the untaxed travel allowance;
- the exemption for a number of German net benefits;
- the VAT zero rate on face masks;
- the VAT exemption on supplying healthcare personnel;
- the VAT zero rate on COVID-19 vaccines and test kits;
- continued entitlement to mortgage interest deduction for homeowners if they receive a mortgage payment break from their mortgage lender.

The reduced VAT rate will continue to apply to gyms that offer online group classes (as a replacement for on-site classes), until the group classes can be held indoors again.

Hour criterion

An entrepreneur meets the so-called hour criterion if he dedicates at least 1,225 hours per calendar year to his business. Until 1 July 2021, it is assumed that the entrepreneur dedicates at least 24 hours per week to his business. As of 1 July 2021, this fiction will no longer apply and only the actual hours spent will count towards the hour criterion.

More information?

Would you like more information about one of the schemes discussed in this newsletter? Please contact your trusted RSM advisor or send an email to: maatregelencorona@rsmnl.nl.