



Stimulation of Research and Development in the Netherlands (WBSO)

When starting an R&D project, the R&D costs can be lowered via the Dutch tax incentive scheme, the WBSO, that can offer tax return. The WBSO is intended for Dutch companies that carry out Research and Development projects.

Goal

The purpose of the WBSO act is **to stimulate research and development (R&D)** by providing a tax facility for companies, knowledge centers and self-employed persons who perform R&D. Eligible R&D activities are systematic and organized endeavors performed in the **European Union** by a natural person or a legal entity paying tax in The Netherlands. These efforts must **be aimed at:**

1. **Applied/scientific research;** or
2. **Development** of technically new (components of) physical products, physical processes at a production facility, or (pieces of) software.

Who can apply?

The WBSO application can be filed on behalf of:

- Entrepreneurs who have their employees on a Dutch payroll performing **their own** R&D-activities;
- **Self-employed** persons performing their own R&D and perform more than 500 hours on R&D activities annually;
- As of January 2016, companies can apply for a WBSO decree for costs and expenditures that have been made for the realization of their own R&D project.

Amount of subsidy in 2020

When calculating the **tax benefit**, the R&D wage fee hours, other costs and expenditures attributable to R&D are summed. The following percentages and amounts are taken into consideration when calculating the amount of R&D wage fee hours, other costs and expenditure:

- **32%** of the first € 350,000 of R&D wages and/or other costs and expenditures;
- **40%** of the first € 350,000 of R&D wages and/or other costs and expenditures for start-ups;
- **16%** over the remainder of the wages (over € 350,000).

Main criteria

The main criteria that must be met to be eligible for the WBSO scheme are as follows:

- R&D activities must be performed in the European Union by employees **residing in the Netherlands** and to the specific benefit of a Dutch company;
- WBSO tax credit can only be enacted upon after receipt of **an WBSO decision** from the Minister of Economic Affairs; and
- A **clear administration** must be kept unambiguously demonstrating:
 - a) The nature and content of the R&D-activities performed;
 - b) The days and hours per day spend performing R&D per employee; and
 - c) The progress of the R&D undertaken.

Eligibility criteria

Projects need to be **technically new for the company** on behalf of which the application is been made only. It is important to demonstrate that a product, production process of software is a technical novelty for the company itself.

Excluded activities

An (incomplete) set of examples of specific grounds of exclusion (activities that do not qualify) is:

- Market research;
- Organizational and administrative tasks;
- Software maintenance.

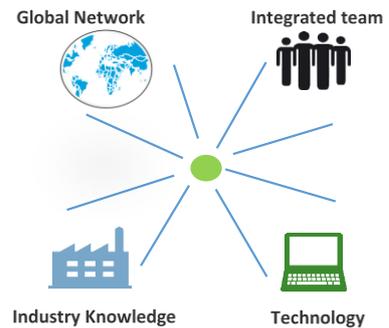
Procedure

From 2020, the deadline for proposals is at the latest **the day prior** to the period to which the application relates. For applications that relate to the period that starts on January 1 of a calendar year, the final submission date is set to December 20 of the preceding calendar year. Annually, four applications for an R&D declaration may be filed for a period of **three to twelve months** per application. No overlap is allowed between these terms.

Team

Who we are and how we can help?

Global Investment and Innovation Incentives (Gi3): our team of scientists, engineers and tax/grant experts support companies in obtaining cash for their activities by identifying the most suitable funding options, writing successful grant applications and providing support in finding strong partners for collaborative projects.



Contact details:



Susan Hansen | Senior Manager
(shansen@deloitte.nl)
+31(0)6 5359 8732



Helene Geijtenbeek | Partner
(hgeijtenbeek@deloitte.nl)
+31(0)6 13127391

Deloitte Global Investment and Innovation Incentives (Gi3)

Gustav Mahlerlaan 2970, 1081 LA Amsterdam
Wilhelminakade 1, 3072 AP Rotterdam Nederland
Tel: +31 (0)88 288 8962