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2018

MIA/Vamil



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**Decree on Environmental
Investment Tax Credit
and random depreciation
for environmental
friendly investments**

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Objective

Being environmentally friendly is a source of sustainable economic growth and significantly contributes to the Netherlands as a prosperous and green country. The Netherlands creates a strong package of tax measures to stimulate environmentally-friendly investments of companies in the Netherlands by introducing the MIA \ Vamil: the environmental investments through MIA, the immediate depreciation of costs of environmentally-friendly equipment through the Vamil.

Target group

Entrepreneurs investing in environmentally-friendly business assets in one of the following areas:

- Circular economy
- Food supply and agricultural production
- Mobility
- Climate and air
- Use of space
- Built environment

Deduction

Depending on the category, the MIA provides an additional tax deduction of 13.5%, 27% or 36% of the investment in business assets as stated on the Environment List.

Depreciation

Also in 2018 via the Vamil 75% of the investment can be depreciated on an arbitrary moment. The remainder 25% is depreciated normally. The accelerated depreciation creates a direct liquidity and interest benefit. The net benefit is approximately 4-5% of the relevant investment amount.

Filing period

A MIA \VAMIL application must be filed within **3 months after entering into an obligation** to buy the business asset.

Costs qualifying for the MIA/Vamil

- Environmental advisory costs (included in production costs);
- Costs for elements that are **technically necessary** for and **exclusively conducive** to these business assets and, hence, have no independent meaning (e.g., piping, appendages and measuring and control equipment);
- Costs for adapting a business asset provided the adapted business asset complies with the requirements of the Environment List;



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Costs explicitly excluded

- Maintenance costs;
- Costs relating to land, houses, vessels for representative purposes, animals, securities, receivables, goodwill, licenses (legal charges), tax exemptions, concessions, and other dispensations pursuant to public law;
- Business assets that someone else has already used earlier on (although costs incurred for making the second-hand business asset operational may be reported);
- Business assets whose investment costs are less than EUR 2500;
- Investments that have not yet become operational and for which repayment of the investment is less than 25% one year after the date of the contract.

Energy investment tax credit or EIA and Vamil may be applied simultaneously for business assets that are eligible for both EIA and Vamil. EIA and MIA cannot be applied simultaneously for the same investment, they can be applied for within 1 project but not for the same investment or business asset. There is a yearly investment cap of EUR 25 million which applies to the MIA \ Vamil incentive.

Administrative records

Once the notification has been issued you can apply MIA and/or Vamil in your tax return. The Netherlands Enterprise Agency (RVO) will not send you a decision regarding your notification. The Netherlands Enterprise Agency assesses your application and may, if necessary, ask for more information about the technical substantiation, the costs incurred and the dates of the relevant purchase orders. The result of the assessment is recorded in an advice to your tax inspector. A copy of this advice will be sent to the applier.

Contact details

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.

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