



Press release

Statistics Netherlands

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Local levies up by a billion guilders

Citizens and businesses will start paying nearly 1.2 billion guilders more in provincial, municipal and water authorities levies and taxes. Compared to 1999 these levies will rise by 8%, according to a study by Statistics Netherlands on the budgets proposed by these levels of government. According to these proposals, municipal taxes and levies will increase by 0.9 billion guilders. The water authorities will increase their levies by 0.2 billion while an extra 0.1 billion will be payable to the provinces.

The rise in real estate tax is the major issue in the municipal taxes. The tax will increase by some 14% on average for the users (= occupants) of real estate. This is because certain municipalities will no longer let the households profit directly from the 100-guilder tax rebate per household known as the *Zalmsnip*.

Municipalities also budget an increase in revenue from the building fees (+17%) and from parking fees (+11%).

Real estate more expensive

Municipal tax revenues for 2000 are estimated at almost 11 billion guilders, an increase of nearly 9% on 1999. Real estate tax is the main source of this increase. According to Statistics Netherlands, both businesses and users of real estate will pay 0.2 billion guilders more than in 1999. This means an 8.3% rise for businesses and a hefty 13.7% for users. These percentages reflect the growth in revenue foreseen by the municipalities. The 100 guilder tax rebate, or *Zalmsnip*, and other wavers are already counted in.

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Less tax exemptions

Since 1998 all households have received a 100-guilder tax exemption on municipal taxes. Most municipalities paid this *Zalmsnip* through their user real estate tax. Furthermore, there are often cuts in sewerage charges or garbage collection rates. In 2000, the municipalities are a bit freer to decide how to use the 100-guilder rebate for the benefit of the taxpayer: tax cuts or reduced rates. According to the budget proposals for 2000, the *Zalmsnip* costs some 620 million guilders, about 40 million less than in 1999. The reason is that about 75 municipalities decided not to give the *Zalmsnip* money directly to the households, but to use it somewhat differently. For instance spending it on people with a minimum income. This means that about one million households living in these municipalities will have to pay a 30% increase in user tax.

Apart from the *Zalmsnip* some 180 million guilders in real estate user tax and sewerage charges will be waved as part of the policy to improve the situation for the poor.

For further information, please contact

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