

# Revenues from local taxes set to rise by 2.1 percent

- Historically small increase in local taxes and levies
- Revenues from building permits fall again
- Substantial rise in revenues from motor vehicle tax

Based on local government budgets for 2014, Statistics Netherlands has calculated that Dutch local authorities can expect to receive 12.8 billion euros in local taxes and levies this year. This is 2.1 percent more than in 2013. Revenues will rise most for provincial government, followed by the water boards and the municipalities.

Municipal taxes and levies are expected to put 8.7 billion euros in the coffers in 2014, an increase of 1.4 percent. This is the smallest rise in revenues from taxes and levies in the last 25 years. The only exception was 2006, when revenues from local taxes plummeted as property tax was abolished for tenants of residential property.

Property tax, the most important municipal tax, is expected to yield 3.4 percent more this year, compared with a 5.4 percent increase in 2013. Municipal refuse collection rates are set to fall by 1.4 percent. Municipalities also foresee reduced income from building permits (-10.5 percent). This is the fifth year in a row that revenues from building permits are expected to decrease, mainly as a result of the slump in construction activity.

Provinces expect to receive 1.5 billion euros in surcharges on motor vehicle tax. This is 4.7 percent more than 2013. The increase is caused by the expiry of the tax exemption for clean and low-energy cars.

Water board levies are expected to total 2.6 billion euros in 2014, a rise of 2.8 percent. The water system levy will rise by most: 4.5 percent. This reflects the increased attention of water boards for flood prevention, for example various dyke reinforcement projects.