

# Explanation

## Tax form A

Taxyear:

1st january 2022 to 31st december 2022

Income Tax

Premiums AOV/AWW, AVBZ

**Sint Maarten, 1 january 2023**

For taxpayers living on Sint Maarten



## Table of contents

General information .....	3
Personal data .....	5
Other questions .....	6
Income from labour, pensions and benefits, which are subject to wage tax .....	8
Proceeds from enterprises .....	12
Periodic payments .....	13
Calculation of personal income .....	14
Personal reduction .....	14
Loss compensation .....	16
Basic reduction and allowances .....	16
Proceeds from periodical payments not being part of your personal income .....	17
Proceeds from immovables .....	18
Net income of minor child(ren) .....	19
Interest and dividends .....	19
Substantial interest and other income .....	20
Personal burdens .....	21
Extraordinary burdens .....	23
Signature .....	25
Objections .....	26

## General information

Read here instructions for filling in your tax return

### 1. Inspectorate of taxes

The Tax Inspectorate has the task of implementing the tax legislation efficiently and with integrity. We try to help you fulfill your obligations where necessary. For specific questions, please contact the information desk of the Tax Inspectorate. For general information you can consult the website of the Tax Authorities.

### 2. Submission of the tax return form

You have two months after the date of the invitation to file a tax return form. You can do this by filling in a (paper) tax return form and returning it.

If you are unable to submit your tax return form within two months, you must ask the Inspector for a postponement before the deadline for submission has expired. You preferably request a postponement by sending an e-mail to [taxinfo@sintmaartengov.org](mailto:taxinfo@sintmaartengov.org). State in the e-mail your name, Crib number, the period for which you want postponement as well as the reason(s).

When handing in the tax return form, the Tax Inspectorate will sign a copy of your form for receipt.

If you owe taxes or premiums, but have not received a tax return form, you are obliged to apply for a tax return form.

### 3. Fine

If you do not submit your tax return form within the period set (possibly extended with postponement), the Inspector will send you a reminder to return the tax return form. If the date of submission in the reminder sent to you expires without the Inspector having received your tax return form, this will result in the inspector imposing a fine. In the event of a first, second, third, fourth or fifth default, the inspector imposes a fine of NAf 250, NAf 500, NAf 1,000, NAf 1,500 or NAf 2,500.

If you do not owe tax, failure to return the tax return form will count as a default, but the Inspector will not impose a fine<sup>1</sup>.

If you do not submit a tax return form, the Inspector will determine your assessment at his own reasonable discretion, taking into account the information that is available to him.

### 4. Layout of the tax return form

First, a number of general questions (1a to 2i) are asked. Then, please fill in questions 3 to 9 on p. 5 to 9. If you have been married all year round, the spouse with the lowest personal income (see question 6) only fills in summary A (p. 16).

The spouse with the highest personal income must declare the non-self-employed income and the deductions of both of you. With summary B (p. 17) you calculate the taxable income. If you are married outside the community of goods and request separate taxation, you must fill in summary C on page 18. If you are unmarried, you must, where applicable, complete all sections, including summary B.

### 5. Ticking boxes

In the tax return form you must answer the questions with yes or no by ticking the 'YES' box or the 'NO' box. If you do not tick any box, it is assumed that your answer is 'NO'.

<sup>1</sup> 'Boetebeleid' Art. 4 sub 4

## 6. Guilder figure rounded

You may round off all amounts in the tax return form in your favour.

## 7. Make copies

Als If you are submitting a tax return form, please make a copy of your tax return form and attachments for your own administration. You can then consult your information once you receive the assessment.

## 8. Attach supporting documents

Attach copies of supporting documents to your tax return form of all income and expenses you fill in. The Inspector may ask you to show the original supporting documents.

## 9. Fill in your details accurately, correctly and completely on your tax return form

Tax return forms that have been filled in incorrectly or incompletely cannot be processed. This means that you cannot receive a possible refund. You can also be fined.



# 1 Personal data

## 1a | Name and address

Here you enter your name, address and residence details as well as your Crib or ID number.

## 1b | Phone number and email

Enter your phone number and email address here. The Tax Inspectorate increasingly corresponds via e-mail. It is therefore important to clearly enter your e-mail address, in order to guarantee a prompt processing of your tax return form.

## 1c | Establishment or departure

This question is only relevant if you have settled in Sint Maarten or have left Sint Maarten after 1 January 2022.

**Pay attention!** If you have settled in Sint Maarten or have definitively left Sint Maarten after January 1, 2022, the tax liability has only existed for part of the calendar year. For the calculation of the income tax, your taxable income must be converted. Conversion also takes place in the event of death, see page 32.

## 1d | Marriage and divorce

Hereafter, when reference is made to marriage, this means a married couple who do not live permanently separated. Permanently separated means that the spouses no longer live together and that this situation is not temporary. If you start living together again within six months after you have started living permanently separated, you will be deemed to have always lived together.

## 1f | Spouses income

If you are married, the spouse with the lowest personal income is taxed only on his personal income after deducting his personal deductions and after deducting the loss compensation.

For the calculation of personal income, see the personal reductions questions 6 and 7.

The non-personal income and deductible items of both spouses are taken into account by the spouse with the highest personal income.

If you are married on a prenuptial agreement, you can: ask for separate levying of tax. See question 1h.

## 1h | Separate levying

If you are married out of community of goods and you request separate taxation on the components of the income - with the exception of the personal income and the personal reductions - the income tax will be divided pro rata. The tax is calculated as stated under 1f, but is then distributed among the spouses in proportion to their taxable income. If you have requested separate taxation, you and your spouse must complete summary statement C. See page 18 of the declaration. In that case, you must enclose a copy of the notarial deed in which your prenuptial agreement has been laid down when you first state in the tax return that you want a separate levying of tax.

## 1i | Occupational data

Please indicate here what your occupation is. Please do not state "*laborer, or self-employed*" but for example: "*mechanic, secretary or shopkeeper*". If you are a civil servant, do not fill in civil servant but state a description of your function, for example: "*postman, policeman, or medical examiner*".

## 2 Other questions

### 2a | Ex-patriate-regeling

If the ex-patriate regulation has been taken into account for you or your spouse in the wage tax, you must state this here. This scheme applies for a maximum of 10 years.

If you are regarded as an ex-patriate, you are no longer entitled to the fixed deduction of professional expenses of NAf 500 or of the actual expenses.

### 2b | Pensonado-regulation

Here you indicate whether you and/or your spouse want to make use of the penshonado regulation. Depending on the situation that applies to you, you state whether the rate of 5% or 10% applies.

You can also opt for a fictitious foreign income of NAf 500,000. This fictitious income is taxed at the regular rate of the income tax table.

The penshonado regulation applies, on request, if you meet the following conditions:

- » you have lived abroad for at least 60 consecutive months before you moved to Sint Maarten;
- » you are at least 50 years old at the time of registration at the civil registry;
- » within two months after registration with the civil registry, you must submit a request to the Tax Inspector to be regarded as a pensioner;
- » within 18 months after registration with the civil registry, you have to own a home in Sint Maarten with a value of at least NAf 450,000. The home should be owned for own use and unleased.
- » in Sint Maarten you are not employed, self-employed or other activities,

- unless you are a commissioner
- » you have a residence permit for an unlimited period.

If the penshonado regulation applies, the following income, after deduction of costs, will be taxed at 10%:

- » proceeds from (former) employment performed outside Sint Maarten;
  - » income from a company that is operated outside Sint Maarten by means of a permanent establishment or by a permanent representative;
  - » proceeds from immovable property located outside Sint Maarten;
  - » proceeds from receivables and bank balances, with the exception of receivables insured by mortgage on immovable property in Sint Maarten and receivables from (legal) entities in Sint Maarten;
  - » proceeds from rights to shares in the profits of a company not established in Sint Maarten;
  - » proceeds from periodic payments or the interest component, included in the capital payment from life insurance, that you receive from a natural or legal person/entity who does not reside or is not established in Sint Maarten;
  - » proceeds from shares or profit-sharing certificates belonging to a substantial shareholding interest of a company that has its actual and statutory seat outside Sint Maarten;
  - » gains from the disposal of shares or profit-sharing certificates belonging to a substantial shareholding interest of a company that is actually and legally established outside Sint Maarten. See section 14 below.
- Your domestic revenues are always taxed at the standard rate. The tax is at least 10%.

**Pay attention!** You will lose your penshonado status if:

- you fail to submit a full tax return on time for two consecutive tax years;

- you or your spouse receive wages or profits for two consecutive tax years; or
- you do not have an owner-occupied home for more than six months.



**Pay attention!** You are not entitled to deduct the extraordinary and personal expenses, the basic reduction and other allowances if you only have foreign income. See items 9, 15 and 16.

**Pay attention!** The pensionado is obliged to pay premium AVBZ and, depending on the age, premium AOV/AWW.

**Pay attention!** With your first declaration, you must enclose the residence permit, the deed of sale of the house or the statement of the notary if you have not included this with the application.

## 2c | Wage tax reduction

Wage tax is withheld from your wages, benefits or pension. Your employer does not take your deductible items into account, such as mortgage interest and study costs. If you have deductible items, then in fact too much wage tax is withheld. You will only receive this back via your income tax assessment that is imposed after the end of the calendar year. This assessment is imposed after you have submitted your tax return. You can prevent too much wage tax being withheld by submitting a request for a reduction in wage tax. If you have received a reduction in wage tax, you will automatically receive an income tax return form. On the basis of your tax return, the Tax Inspector imposes an assessment that corrects a reduction that is too high or too low.

## 2e/2f | Foreign income

If you answered yes to these questions, the inspector will assess whether you are eligible for

reduction of income tax on your foreign income, in order to avoid double taxation. Sint Maarten tax administration applies the settlement method. You must state the foreign income itself under the relevant section(s).

## 2g | Special rate

Here you state the income to which the special rate may apply and for which you must submit a request. See also what is stated under the heading 'Special rate' on page 31 of this explanation.

**Pay attention!** Redemption of a pension or annuity is taxed at the normal progressive rate.

## 2h | Stocks

If you own stocks (shares or bonds), a specification of these must be submitted as an enclosure to the tax return form.

## 2i | Income from undivided estate

An undivided estate can arise in the event of death (between heirs in the estate), in the event of divorce or in the event of legal separation between (former) spouses with regard to their joint (marital) assets. The joint ownership remains until the division of the community, followed by the delivery of the apportioned to each one, has taken place.

If you are the sole heir to an estate, there is no undivided estate.

There is also no undivided estate if an estate division has been effected by will of a parent, whereby the entire estate of that parent accrues to the surviving spouse and the children only have a claim against the surviving spouse in the amount of everyone's inheritance.

You must declare your share in the income from undivided estate each year, even if that share has not yet been received.

The same rules apply to the deduction of your share in all costs associated with income from undivided estate, such as management costs and interest, expenses and depreciation.

You must split the income from undivided estate by source type, i.e. income from business (profit), income from capital, proceeds from immovable property or other income, and then fill it in with the relevant question in the tax return.

The rules of the relevant source also apply to your share of the income from undivided estate.

With regard to underage children who are entitled to income from undivided estate not forming part of the personal income, that income is taxed with the parent who exercises custody of the minor.



## 3 Income from labour, pensions and benefits, which are subject to wage tax

### 3a | Income from labour, pension and benefits

In this question, you state the income from which wage tax is withheld, such as your gross income from existing employment (salary, bonuses, directors' fees, etc.) and AOV/AWW benefits. Your income from previous employment, such as your pension, is also stated here. You will find this information on the wage tax card that you have received from your employer.

**Pay attention!** You state the name and address details, the contributions paid in premiums and wage tax and the gross wage amount from each employer. The wage tax and premiums are set off against the total income tax and premiums owed by you.

### 3b | Company car

If you have a car from your employer at your disposal and you also use this car for private purposes - including commuting to work - you must include 15% of the original new value of the car, including tax, as part of your income for this question. In principle, the amount should be included in the gross salary. Please ask your employer if this has happened. Only if this has not happened, you should state an amount here.

**Pay attention!** Commuting between home and work means traveling back and forth between your home address and the place of your work.

Also in cases where you take the means of transport home at the request of your employer to, for example, prevent theft or destruction, there is also the matter of making it available and the tax addition will have to take place as well.



If you receive the car in the course of the year, the addition must be calculated pro rata. Suppose that the tax addition due to private use of the means of transport is NAF 5,000 for the whole year, but you can only use the car privately for three months that year. Your private use is then 3/12 of NAF 5,000, so NAF 1,250.

If you have to pay a compensation to your employer for the use of the means of transport, the compensation paid will be deducted from the aforementioned 15%. Only the costs that you pay directly to your employer can be deducted from the addition. If you pay more than the said 15%, the benefit is set at zero. Any excess is not deductible as professional expenses.

Jeeps and pick-ups are also classified as passenger cars, both in the double and single-cab version. If a means of transport other than those referred to above is made available, the actual benefit that you enjoy through non-business use must be taxed.

### 3c | Other income

Here you must state, among other things, the other income that you have obtained through work.

Examples of this are:

- » performing chores;
- » teaching, (tutoring or driving lessons);
- » taking care of bookkeeping, administration, etc.;
- » making construction drawings;
- » purchasing goods - both in Sint Maarten and abroad - and reselling these goods to third parties.

The costs associated with this income may be deducted. They must, however, be proven with supporting documents. For a further explanation of the professional costs, please refer to section 3g below.

### 3e en 3f | Pension contributions, savings and provision funds

You must take this information from the wage tax card.

### 3g | Professional costs

Professional costs are costs that you incur to be able to properly practice your profession, or to be able to obtain your income. For income from present employment and other income from work, such as additional earnings, you are entitled to a fixed amount (forfait) of NAF 500. If your actual professional costs exceed NAF 500 per year, you

may deduct the actual costs insofar as they exceed NAF 1,000. If you deduct the actual professional expenses, you must enclose the supporting documents and a specification with the tax return.

**Pay attention!** The deduction of the actual professional expenses or of the lump sum cannot exceed the income to which they relate.

Deduction of the actual professional costs is only more advantageous for you than the fixed deduction of NAF 500 if the actual costs exceed NAF 1,500.

#### Example 1

If your actual professional costs amount to NAF 1,300, you can deduct NAF 300 (1,300 - 1,000) as actual costs. However, the flat-rate deduction for expenses amounts to NAF 500. Therefore, NAF 500 is taken into account as professional expenses.

#### Example 2

If your actual professional costs amount to NAF 1,900, you can deduct NAF 900 (1,900 - 1,000) as actual costs. It is more advantageous for you to deduct the actual costs instead of the fixed deduction of NAF 500.

**Pay attention!** The following professional expenses are not deductible:

- a. the workspace, including the furnishings, in your home if:
  - 1° you have a workspace outside your home and you earn less than two-thirds (2/3) of the total amount of your income from work, business and profession in the workspace in your home, or ;
  - 2° you have no workspace outside your home at your disposal and you earn less than two-thirds (2/3) of the total amount of your income from work, business and profession in or from the workspace in your home;
- b. commuting;
- c. vessels used for representative purposes;
- d. clothing, with the exception of work clothing. See below;

- a. literature, with the exception of professional literature. See below;
- b. telephone subscriptions and internet connections in the name of the taxpayer in private. See below;
- c. personal care;
- d. food, drink, stimulants, representation, receptions, festive gatherings, excursions, study trips, including travel and accommodation costs;
- e. gifts and business gifts;
- f. fines;
- g. costs related to the conviction for a crime;
- h. costs to prevent prosecution;
- i. bribes.

### Work clothing

Only the costs for work clothes are deductible. Work clothing is understood to mean clothing that is almost exclusively suitable for wearing during the exercise of the profession. This concerns, for example, uniforms and professional clothing, such as a fireman's suit, a police or nurse uniform. Clothing that is also worn in private life is not deductible (for example, the sports teacher's tracksuit and the manager's black suit). Work clothing also applies if the clothing is provided with one or more clearly visible logos associated with the employer with a combined surface area of at least 70 square centimeters and these logos are inseparably attached to the clothing.

Clothing that cannot directly be regarded as work clothing, for example jeans, is also regarded as such if their use is such that private use afterwards is impossible (for example, dock workers).

### Literature

Only the costs for professional literature are deductible. Professional literature is understood to mean: publications that are generally recognized as important to your profession, for example professional journals and a subject-oriented encyclopedia.

In general, costs for general literature (eg a newspaper, novels, a general encyclopedia) are not deductible. These costs

are only deductible if such literature can be regarded as professional literature for your profession (such as the extra costs of novels for a Dutch teacher or extra costs of newspapers for a journalist).

**Pay attention!** You must add a specification.

### Telephone

The costs of business calls that you have at home with a private telephone are deductible. However, the subscription costs are not deductible.

### Expenses that are limited deductible

- a. Costs of computers and software, data carriers, printers, plotters, typewriters, word processors, calculators, copying equipment, fax equipment, modems, screens, audio equipment, video and telephone equipment, tools, musical instruments. This also includes the costs of maintenance, repair and insurance. To determine the amount of the deductible expenses, you add up the depreciation of all equipment and all other expenses. Depreciation is part of the costs insofar as it exceeds NAf 750. The depreciation period is 36 months. You do not have to take a residual value into account.
- b.
- c.
- d. **Example 1**  
Purchase on January 1; NAf 3,000. Depreciation per calendar year in 3 years NAf 3,000 : 3 = NAf 1,000 – NAf 750 = NAf 250. You can enter NAf 250 per year as costs for 3 years.
- e.
- f. **Example 2**  
If you bought during the year, you must calculate the depreciation proportionally.
- g.
- h. Purchase on July 1; NAf 3,000. Depreciation per calendar year NAf 1000,- in 36 months. First year depreciation (over 6 months) NAf 1,000 : 12 x 6 = NAf 500 – NAf 750 = NAf 0. Depreciation second and third year (over 12 months) NAf 1,000 – NAf 750 = NAf 250. Fourth year depreciation (over 6 months ) NAf 1,000 : 12 x 6 = NAf 500 – NAf 750 = NAf 0. You can enter NAf 250 per year as costs for 2 years. In the first and fourth year, the costs do not exceed NAf 750, so no deduction.
- i. b. The costs you incur in connection with following courses and participating in conferences, seminars, symposia and the like in order to keep up to date in your field are deductible for 75% and up to a maximum of NAf 2,500.

These costs also include travel and accommodation costs. Within the stated maximum, car costs are deductible at ANG 0.35 per kilometer. In order to make the car costs plausible, it is sufficient in this case that you enclose a lesson schedule and a kilometer administration with your tax return. See below.

**Pay attention!** The costs of food, drinks, stimulants and the like are not deductible. So you need to have an itemized bill which specifies those costs.

**Pay attention!** This does not concern the costs that you have incurred for following a study. These costs must be stated under the extraordinary expenses as expenses for study. See section 16j.

j. **Car**

If you use your private car for business trips (other than commuting) for employment or other income from work, you can deduct a fixed amount of ANG 0.35 per kilometer. Other costs (for example: costs for repairs, car washing, insurance costs and the like) are not deductible. You must prove the kilometers driven with a comprehensive kilometer administration. A balanced kilometer administration is a day-to-day administration in which you indicate:

- the start and end position of the odometer and
- the destination of the journeys made.

The Inspector determines the reliability of the administration, for example on the basis of the agenda or the gas invoices.

Below is an example of a journey statement that can be used for administrative purposes.

Car: \_\_\_\_\_

Numberplate: \_\_\_\_\_

Date	Start KM	End KM
------	----------	--------

_____	_____	_____
-------	-------	-------

From/to	address	Purpose
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_____	_____	_____
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**Pay attention!** If you have a company car, you can deduct the fuel costs that you have paid. Other costs are not deductible.

**Pay attention!** In the event that you receive compensation from your employer to cover costs, you must deduct these compensations from the costs.

**Pay attention!** For an overview of the costs that may or may not be deductible, please refer to the table on page 15 of these notes.

## 4 Proceeds from enterprises

Here you state the revenue of your enterprise(s), accompanied by a balance sheet and profit and loss account. If you run your own enterprise(s) or practice a profession independently, you are obliged to keep proper records of your income and expenses.

When calculating your profit, you should in any case take into account the following points:

### Business car

If a passenger car is part of your business assets and the costs are deducted from the profit, you have to take private use into account. You must add 15% of the original new value, including tax of the car to the profit.

If the car is part of your private assets, the costs of business trips, with the exception of commuting from home to work, may be booked as operating expenses up to an amount of NAF 0.35 per kilometer. You must enclose a conclusive kilometer administration.

### Immovable property

If immovable property is part of the entrepreneur's business assets, the following situations can be distinguished:

1. the immovable property is available to the owner/entrepreneur as main residence (own home);
2. the owner/entrepreneur rents out the immovable property to third parties or makes it available to third parties.

### Own home

If a house is part of your business assets and this house is available to you as your principal residence, you do not have to add the rental value of this house to the profit.

**Pay attention!** Depreciation costs are deductible.

**Pay attention!** Mortgage interest is unlimitedly deductible.

**Pay attention!** Other costs, such as longlease and ground rent are not deductible.

### Leased immovable property

If you rent out immovable property that is part of your business assets, the rental income is fully taxed and the costs such as maintenance, fire insurance, property tax, longlease, ground rent and depreciation are fully deductible.

### Home provided to employee

If you, as an entrepreneur, are making a home that is part of your business assets available to an employee, the cost deduction for this home is maximized. You cannot deduct more costs than the amount that is included in the employee's income as taxed rental value (income in kind), being 4.8% of the sales value of the home.

### 4b | Investment allowance

If in a calendaryear an amount of more than NAF 5,000 is invested in business assets, 8% of the investment amount can be deducted from the profit of the year in which the investment takes place. If you have made investments for which you claim investment deduction, then you must enclose a depreciation statement with your annual statements, in which each business asset is itemized separately.

#### 4d | Disinvestment

When a business asset for which an investment has been deducted has been disposed of, a disinvestment amount must be added to the profit of the year of disposal. The amount of the addition consists of a percentage of the transfer price. The addition cannot be higher than the investment deduction received. The percentage is equal to the percentage applied to the investment. Disinvestment occurs when the business asset is disposed of within 6 years (for buildings 15 years) after the start of the year in which the investment was made.

#### 4j/4k | Relation between IT and TOT

The turnover that you as an entrepreneur account for in your income tax return must in principle be equal to the total turnover (sum of taxed and untaxed performances) that you have accounted for in the tax year in question for the purpose of levying turnover tax.

## 5 Periodic payments

### Alimony between spouses

Alimony is understood to mean the amount you received from your ex-spouse (or from the spouse from whom you are permanently separated).

Alimony payments between ex-spouses are fully taxed at the recipient spouse. The paying ex-spouse can deduct the alimony payments made. See question 15e of the tax return.

You state a lump sum payment for alimony at question 14o.

If alimony is provided in the form of providing a house that is owned by the ex-spouse liable for alimony payments, this provision must be valued at 4.8% of the sale value of the house.

### Alimony payments for kids

Alimony payments for the children are tax-free for the recipient and not deductible for the paying ex-spouse.

## 6 Calculating personal income

Use this question to calculate your and your spouse's personal income.

## 7 Personal reduction

At question 7a you state the employee's contribution to the AOV/AWW premium that you paid in the year (by deduction from your salary).

If you have paid an amount on AOV/AWW assessment(s), state this amount at question 7b.

If you received AOV/AWW premiums back in the year (the so-called refunds), state the amount under 7d. The deduction is reduced by the amount refunded. If the calculated amount at 7e becomes negative as a result, enter nil.

### 7f| Premium for annuity and deposit into a blocked savings account

In this question, you state the premiums paid for annuity insurance during the year. You also state here the amounts that have been deposited into a blocked annuity savings account or a blocked annuity investment account, provided that the returns achieved are added to these accounts, the balance of these accounts can only be used to obtain an annuity and if all other statutory requirements are met.

Deduction is possible for the following insurances:

- i. annuities whose term accrues to the taxpayer and only ends upon his death;
- ii. annuities of which the installments start on the death of the taxpayer, his spouse, or former spouse, on the understanding that if the installments accrue to one of their relatives by blood or marriage, not being the spouse, in the direct line or in the second or third degree from the sidelines or to a foster child of one of them, these only end either on the death of the beneficiary or at the latest when (s)he reaches the age of 27;
- iii. annuities whose installments accrue to the taxpayer and end in the year in which he turns 65, insofar as the aggregate amount of instalments of the said annuities, assessed at the time of the premium payment, does not exceed Naf 50,000 per year;
- iv. annuities whose installments accrue to the taxpayer, have a duration of at least five years and do not commence earlier than the year in which he reaches the age of 65, insofar as the aggregate amount of installments of the said annuities, assessed at the time of the premium payment, does not exceed Naf 25,000 per year;
- v. annuities the term of which accrues to an adult disabled child, stepchild, foster child or grandchild and only ends on the death of the beneficiary;
- vi. claims to periodic benefits in respect of disability, illness or accident.

The deduction of these premiums is limited to 10% of the income, but may not exceed Naf 1,000.\*

For married couples, the assessment per spouse should be done separately. You can only deduct premiums from insurance policies you have taken out.

If you have paid premiums in the year for annuities of which the benefits accrue to an adult disabled child, stepchild or foster child, in principle no maximum applies to the deductible premiums. However, when determining the amount of the deductible amount, the actual situation of the child will be taken into account.

An annuity is, among other things, a claim under a life insurance contract, to fixed and

\* In a previous version a maximum of Naf 3.000 was mistakenly mentioned

equal periodic payments that end at the latest upon death, which claim cannot be surrendered, alienated, or can formally or actually serve as the object of security, as well as the claim to profit distributions in connection with such a claim, offered by an insurer.

**Pay attention!** Premiums paid for a capital sum insurance policy with an annuity clause are still eligible for deduction.

## 8 Loss compensation

If your taxable income was negative in one or more of the previous five years, you must offset that negative income against your positive income.

## 9 Basic reduction and allowances

**Pay attention!** See page 30 for an overview of the amounts of the basic discount and the surcharges.

### 9a | Child allowance

You are entitled to child allowance if your own child, your foster child or your spouse's child falls into one of the following categories on 1 January 2022:

#### Category Ia:

a child aged 16 to 26 who resides abroad to follow an MBO, HBO, university or comparable course.

#### Category Ib:

a child aged 16 to 26 who resides abroad to follow a course that is not present in Sint Maarten.

#### Category II:

a child aged 16 to 26 who resides in Sint Maarten and who is following an MBO, HBO, university or comparable education.

#### Category III:

a child aged 16 to 26 who belongs to the taxpayer's household and who spends most of his time on education or vocational training other than those referred to in categories Ia, Ib and II.

#### Category IV:

a child under the age of 16 who belongs to the taxpayer's household.

For children in categories Ia, Ib, II and III, you must enclose proof of registration from the training institute;

If you are married, the child allowance can be allocated to one of the spouses at the joint request of both spouses and this spouse can therefore deduct the child benefit twice from the calculated tax. The other spouse is then no longer entitled to child allowance.

If you wish to transfer the child allowance to your spouse, you must complete and sign model C (page 19) of the tax return form.

If you live together without being married, you can transfer the child allowance to your partner if you and your partner:

1. maintain a joint household with the child for at least one year;
2. have reached the age of 18;
3. maintain the child; and
4. are not close relatives of each other, for example brother and sister, aunt and cousin or grandfather and grandchild.

If you wish to transfer the child allowance to your partner, you must complete and sign model A (page 19) of the tax return form.

If you are a single parent, the child allowance will be doubled if you:

1. are unmarried;
2. have reached the age of 18;



1. has run a joint household with the child for at least one year (with the exception of studying children who reside elsewhere); and
2. maintains the child.

**Pay attention!** For the doubling of the child allowance of the single parent, it is not important whether the other parent of the child contributes to the maintenance costs of the child.

### 9b | Basic reduction

You are entitled to the basic reduction. The basic reduction reduces the amount of tax you have to pay. The basic reduction can be increased by the child allowance, the sole earner allowance and the elderly allowance if you meet the conditions set out below.

### 9c | Sole earner allowance

You are entitled to the sole earner allowance if:

- » you have been married throughout the calendar year;
- » you live in Sint Maarten and
- » your spouse's taxable income in the calendar year is nil or negative.

### 9d | Elderly allowance

You are entitled to the elderly allowance if you live in Sint Maarten and have reached the age of 60 at the start of the calendar year. You can transfer your entitlement to the elderly person's allowance to your spouse if you cannot offset the allowance in full against the income tax. Both spouses must submit a joint request to the Inspector. You are referred to Model C on page 19 of the tax return form.

## 10 Proceeds from periodic benefits, not belonging to the personal income

A periodic payment must in any case meet the following conditions:

- » the payments must be made regularly;
- » the debtor is obliged to pay the periodic payments;
- » the benefits end at the latest upon the death of the beneficiary or of a third party;
- » the total amount of benefits is not fixed.

An annuity is a common periodic payment. An annuity can, for example, come about through a life insurance contract.

**Pay attention!** If you have received a periodic payment, which is the equivalent of a performance, only what you receive in excess of what has been paid (the performance) is taxed. What has been paid does not include premiums that you could deduct in the past or amounts that have not been taxed because a periodic payment has been obtained for those amounts.

# 11 Immovable property

If you own immovable property (such as a home or commercial property) that is rented out to a third party, 65% of the rental income needs to be declared. Rental income does not include costs that the lessor charges to the lessee, whether or not explicitly or not. For example, by their nature, residents' expenses include the costs of electricity, water and telephone, garden maintenance and the like. These costs must be deducted from the rental income. What remains is the benefit to which the 65% rule is applied. The (mortgage) interest, the premiums of an expiring term life insurance policy and the costs of a loan are deductible. These costs can be deducted insofar as there are positive returns in this year. The costs that you cannot deduct for this year can be deducted from the positive income of the next five years.

**Pay attention!** Other costs such as fire insurance premiums and longlease/ground rent are not deductible. On the other hand, you do not have to declare 35% of your rental income. Do not forget to state the address of the immovable property and the rights established on the immovable property. You can only deduct those costs from your income that were paid by you in the year for which you file this tax return.

Anyone who exploits an asset in order to obtain sustainable income from it, is regarded as an entrepreneur for the turnover tax. The long-term rental of immovable property that has been furnished, intended and used for permanent residence is exempt from turnover tax. If you rent out immovable property, you must make a connection here between the rent for income tax and the rent stated in the tax returns on turnover. You must explain differences.

## 12 Income minor children

The income of minor children (with the exception of income from employment, business and profession, or personal benefits such as a study grant and the like: these are taxed at the child's expense) is attributed to the parent who has custody of that child. The income of the minor child is allocated to the parent/spouse with the highest personal income.

Always enclose the proof with regard to the calculation of the income of the minor child.

## 13 Interest, dividends, fictitious return, etc.

This concerns the interest, dividends and the like received in 2022. The interest or the dividend has been enjoyed if it has been received by you, but also if it has become interest-bearing or payable/collectable.

### 13a/13b | Received interest

Here you state the interest received on foreign and domestic bank accounts.

### 13c | Interest received bonds

At this question you must indicate the interest on bonds and other receivables.

If you receive interest from bond loans issued by the legal entity Sint Maarten, you do not have to declare this. You must always enclose the supporting documents.

### 13e | Fictitious return

If you have shares in a tax exempt Company or a foreign investment company, please provide here a fictitious return of 4%.

# 14 Substantial interest and other income

## 14o | Other income

Below you state all other income not already mentioned in this section, such as, for example:

- » lump sums of annuities and alimony;
- » income from renting out furniture, cars, sound equipment, etc.

## 14a | Regular proceeds

Regular benefits are the benefits that are drawn from the shares or profit-sharing certificates. These regular benefits include:

- the refund of what has been paid up on shares, unless the paid-up capital has been reduced beforehand;
- the refund of what has been deposited in the mutual fund insofar as this exceeds the acquisition price of the share certificates.

## 14b | Fictitious return

The fictitious return is also a regular advantage, but you do not state this under 14a. This benefit is mentioned separately from an audit of view.

## 14l | Proceeds from disposal of fixed assets

The proceeds you receive from the disposal of your shares, your profit-sharing certificates or your debts is calculated by deducting the disposal price by the acquisition price.

The following situations are also seen as disposal:

- » buying back shares;
- » the surrender and repurchase of profit-sharing certificates;
- » making liquidation payments payable;
- » the repayment of claims;
- » transferring the shares into the capital of a company;
- » the cessation of a substantial interest;
- » ceasing to live in Sint Maarten.

If there is no sale price, you must assume the market value here.

# 15 Personal burdens

## Own residence

An owner-occupied home is a home you own, not a rental home that is available to you. An owner-occupied home refers to a home:

- » which you own;
- » of which you have a longlease;
- » of which you have rented the land;
- » which you have in usufruct that has been acquired pursuant to inheritance law.

### 15a en 15b | Costs own residence

An owner-occupied home is a home you own, not a rental home that is available to you. You can deduct the maintenance costs (including garden maintenance costs) of the owner-occupied home that is available to you as your main residence up to a maximum of NAf 3.000. Maintenance costs are costs you incur to keep the house in the same condition. The original receipts and invoices must be added as attachments.

Where reference is made hereinafter to a mortgage loan, this means a loan that has been entered into for the acquisition, maintenance or improvement of the owner-occupied home that serves as the main residence. These loans are usually secured by mortgage, but that is not a condition. Mortgage interest means the interest on the aforementioned loan.

If a mortgage loan is entered into for a purpose other than the acquisition, maintenance or improvement of the owner-occupied home that serves as the principal residence, the rules stated in question 15f apply. For example, you take out a mortgage loan for the purchase of a car, because the conditions for such a loan are more favorable than the conditions for a personal loan.

For mortgage loans you can deduct a maximum of NAf 27,500

mortgage interest and premiums life insurance.

**Pay attention!** The maintenance costs and the mortgage interest, including the premiums of an expiring term life insurance policy of your second home or holiday home, are not deductible.

## Unmarried cohabitants

If you live together without being married and you own the house together with your housemate, the following situations may arise:

1. You and your housemate both pay a part of the mortgage interest, which corresponds to the share of the debt. In this case, you can both deduct the interest you have paid.
2. Either one pays a higher amount in mortgage interest than corresponds to his share of a mortgage loan. For example, you pay all the mortgage interest, while your share in a mortgage loan is only 50%. This may be the case if your housemate had little or no income. In this case, you can in principle deduct all the mortgage interest that you have paid. However, this is not allowed if you (apparently) only do this to obtain a tax advantage. If the part of the mortgage interest that you paid corresponds to the ratio of the incomes of you and your housemate, the Inspector always accepts this.

**Pay attention!** Unmarried cohabitants can jointly deduct a maximum of NAf 27,500 from a mortgage loan.

### 15d | Life annuity

At question 15d you state benefits paid by you for annuities, pensions and other periodic payments that are taxable income at the recipient.

**Pay attention!** Deduction of periodic benefits paid that form the equivalent of a performance is only permitted if more is paid in periodic benefits than the performance received for it.

**Pay attention!** Deduction of periodic benefits paid that do not constitute the equivalent of a performance is not allowed if the expenses are made to, for example, the following relatives:

- » (great)(grand)children;
- » spouses of these children;
- » (grand)parents;
- » (half)brothers and (half)sisters and their husbands.

If you have paid alimony to your ex-spouse, you can deduct the benefits.

When the alimony is surrendered, you are not eligible for deduction of the lump sum paid to your ex-spouse. The lump sum is taxable at the receiving ex-spouse.

If alimony is provided in kind, for example in the form of the free living enjoyment of a house that you own, then this provision must be valued at 4.8% of the sale value of the house.

## 15f | Other interests and costs of loans

At this question you can deduct the interest and costs of other loans (consumer loans). Some examples are:

- » interest on personal loans;
- » interest calculated in installments (e.g. purchase of a car, furniture, TV sets, etc.);

**Pay attention!** The repayments are not deductible.

You can deduct a maximum of NAf 2,500 for consumer interest. If you are married, the interest deduction will be transferred to the spouse with the highest personal income and the latter can deduct a maximum of ANG 5,000.

## Relation between interest on a mortgage loan and consumer loan interest.

### Example 1

The interest on a personal loan is NAf 3,000 and the mortgage interest is NAf 10,000.

The unmarried taxpayer can deduct the interest on the personal loan up to a maximum of NAf 2,500 and the mortgage interest of NAf 10,000.

For married people, the interest on the personal loan of NAf 3,000 (maximum for married people is NAf 5,000) and the mortgage interest of NAf 10,000 are deductible.

### Example 2

The interest on a personal loan is NAf 5,000 and mortgage interest is NAf 28,000. The unmarried taxpayer can deduct the interest on the personal loan up to the maximum of NAf 2,500 and the mortgage interest up to the maximum of NAf 27,500. For married couples, the interest on the personal loan of NAf 5,000 and mortgage interest up to a maximum of NAf 27,500 are deductible.

### Example 3

The mortgage interest is NAf 50,000 and there is no further interest on a personal loan.

The unmarried taxpayer can in total deduct NAf 30,000 in mortgage interest, namely the maximum of NAf 27,500 and the unused part ad. NAf 2,500 of the consumer interest.

For married couples, mortgage interest is deductible up to NAf 32,500 (NAf 27,500 and the unused portion ad. NAf 5,000 of the consumer interest).

## 15g | Donations

At this question you can deduct the donations made to ecclesiastical, charitable, cultural, scientific and public benefit institutions that are established in Sint Maarten. Gifts may only be deducted insofar as they total more than 1% of the income and also exceed NAf 500. However, the amount to be deducted may not exceed 3% of the income. If you are married, you must take into account your and your spouse's joint income for the calculation of the thresholds. The donations must be proven by documentary evidence.

# 16 Extraordinary burdens

expenses for:

- a. maintenance of children aged 27 or older, close relatives and sick or disabled children up to and including 26;
- b. illness, childbirth, disability and death;
- c. training or study for your own or your spouse's profession;
- d. study costs of children up to the age of 26 who are following an MBO, HBO, university or comparable training.

**Pay attention!** For married couples, the extraordinary expenses are always combined. The extraordinary expenses of the spouse with the lowest personal income are allocated to the spouse with the highest personal income.

**Pay attention!** You can only deduct the part of the costs of living, medical expenses, disability, childbirth and death that exceeds a certain minimum amount (the threshold). These costs are deductible if they jointly amount to more than 5% of the income with a minimum of Naf 1,500. For the calculation of the threshold, the joint income of both spouses is taken into account for married couples.

## 16 a | Living expenses

You can deduct the expenses for necessary living expenses of the following family members of yourself and/or your spouse:

- » children and foster children aged 27 and older;
- » spouses of these children;
- » parents (including foster parents) and grandparents;
- » (half) brothers and (half) sisters and their husbands.

The living expenses for these family members are deductible if these persons are unable to support themselves. The deduction is limited to Naf 2,500 per supported person. For example, if you support your mother and father, the deduction will not exceed 2 times Naf 2,500 or Naf 5,000.

Furthermore, the total amount you can deduct is maximized. You can deduct a maximum of 10% of your income as living expenses.

Expenses for the necessary maintenance of children up to the age of 26 who are unable to support themselves due to illness or disability can be deducted without the above limitations.

You cannot deduct expenses for which you are entitled to reimbursement from, for example, your employer, insurance company or support fund, even if you do not receive that reimbursement until a later year.

## 16d | Sickness, disability, childbirth and death expenses

Expenses for illness, disability, childbirth and death of you, your spouse, your own or children by marriage and foster children and of your relatives by blood or marriage in the direct line (e.g. grandparents, parents and grandchildren) or in the second degree of the sideline (e.g. siblings) are among the extraordinary expenses.

This concerns, for example:

1. health insurance premiums;
2. costs of doctors, dentists, hospitalization;
3. medicines;
4. contributions to cross associations;
5. glasses and contact lens;
6. funeral expenses (premiums for funeral funds are only deductible if no cash benefit is received upon death).

The premium of the AVBZ and the are not part of the extraordinary expenses.

Costs of car trips in connection with illness, etc. (such as a visit to a doctor) are limited deductible. If you use your own car, you can deduct an amount of ANG 0.35 per kilometer. If you use someone else's car, you can deduct the fuel costs.

## 16j | Study for a profession of yours or of your spouse

The aim of the study must be to improve your or your spouse's social position in financial and economic terms. The costs of a hobby training or a study of a general nature are therefore not deductible.

Study costs that you incur to maintain your professional knowledge are part of the deductible professional expenses.

**Pay attention!** only the following costs are deductible as study costs:

- » school or tuition fees;
- » books;
- » compulsory teaching materials;
- » airline tickets and 75% of the accommodation costs abroad.

**Pay attention!** costs of computers and software, data carriers, printers, plotters, typewriters, word processors, calculators, copying equipment, fax equipment, modems, monitors, audio equipment, video and telephone equipment, tools and musical instruments are not deductible. This also includes the costs of maintenance, repair and insurance.

**Pay attention!** Before you deduct the study costs, you must reduce the study costs with any allowance or compensation from third parties, for example from the employer.

## 16m | Study costs of children

The law prescribes that only the expenses burdening the parent that relate to the study costs are eligible for deduction.

Study costs are understood to mean: the costs for school or tuition fees, books and other compulsory teaching materials. Costs incurred for computers, printers, sound equipment, musical instruments and the like are expressly excluded from deduction.

The study costs of children also include the costs borne by the parent of one return ticket per child per year, if the child is studying abroad.

The Inspector assesses the study costs in accordance with the rulings of the Tax Appeals Court

done on January 18, 2006, number 2004/629, 630 and on October 31, 2008, nos. 2007/0241 and 0045.

## Studying in the Netherlands

The following is stipulated in the above mentioned jurisprudence with regard to students studying in the Netherlands. The annual determination of the amount of the Dutch scholarship is based on fixed amounts for education contributions and books/learning materials per year, the so-called study budget. These amounts are used as the basis for determining the study costs. It has been calculated that 20% for MBO and 25% for HBO/WO of the study budget relates to study costs.

In 2013, the full student grant amounted to € 10,773.32 for an MBO and € 12,214.44 for a HBO/WO student. As a result, the study budget is €1,685.32 or €2,476.32 for an MBO or a HBO/WO child, respectively.

The following is given as a guide to practice:

For a student with a full grant, the study costs are fully covered by the grant, so that the taxpayer is not entitled to deduct study costs, unless you can demonstrate that the study costs are more than 20% (MBO) or 25% (HBO/WO).

### Example:

You have a child who is following a higher vocational education (HBO) course in the Netherlands, with full student grant. In principle, you are only eligible for the deduction of one travel ticket (say € 2,105.00), since the study costs are fully financed by the student grant. However, if you can prove that the study costs are more than € 2,476.32 and the costs have been borne by you, you are entitled to the extra costs with a maximum of NAf 10,000.00 (married NAf 20,000.00) including the travel ticket. to step up. Suppose the study costs are € 4,500.00, then you can deduct extraordinary expenses for children studying: € 4,500.00 -/- € 2,476.32 = € 2,023.68. In total to be entered: € 2,023.68 + € 2,105.00 = € 4,128.68.

The conversion rates can be found on the website of the tax department.



If the student receives no or only partial student finance and you support him financially, you may be eligible for a partial deduction of the study costs.

### Example:

You have a child who is following an MBO training in the Netherlands, with a basic grant (€ 3,021.12) and the total study budget to be taken into account is € 1,685.32. In principle you are eligible for deduction of one travel ticket (say € 2,105.00) and the part of the study costs that cannot be financed by the basic grant. Suppose the study costs are €1,980.00, then you can deduct extraordinary expenses for children studying: €1,980.00/- €337.06 (20% of (€1,685.32) = €1,348.26. to be entered: € 1,348.26+/- € 2,105.00= € 3,453.26.

**Pay attention!** If the costs are more than what was taken into account in the budget calculation, and they are reimbursed by the parent, then the excess is also deductible. This must be proven with evidence.

### Studying elsewhere

For students who are studying elsewhere, you must submit the official proof of registration from the school, a specification of the tuition fees and the book list for the relevant academic year with the accompanying payment receipts.

**Pay attention!** You must submit the following supporting documents.

A so called message form from the DUO in Groningen for a child studying in the Netherlands or in Sint Maarten stating which education the child is following and the student grant received.

An I-20 form for a child studying in the United States and a statement from the student grant agency showing how much student finance the child has received.

You must also enclose proof of registration from the training institute for children aged 16 and older. Furthermore, you must always send the supporting documents and a specification of the costs incurred by you.

### Signature

After you have truthfully filled in the paper tax return form, sign it. If you are married and your spouse also wishes to file a tax return, he/she must also sign the tax return form.

## Objections

If your assessment differs from the tax return and you do not agree with the corrections made, you can submit a written objection to the Tax Inspectorate within two months of the date of the assessment notice. The Inspector must note the date of receipt on the notice of objection. The Inspector must give a reasoned decision on your notice of objection. Refusal or late delivery of the decision is equated with a decision. A decision is deemed not to have been rendered in time if the Inspector has not rendered a decision within nine months of receipt of the notice of objection.

**Pay attention!** If you do owe part of the assessment, you must pay this within two months of the date of your assessment. You can request a postponement of payment for the disputed amount.

If you are unable to pay an assessment on time, you can request the Receiver for a payment arrangement.

### Appeal

If you object to the Inspector's decision on the notice of objection, you can appeal to the Court of First Instance within two months of the date of the copy of the decision. You can also appeal if the Inspector has not rendered a decision on your notice of objection in time. In that case, you can lodge an appeal within twelve months, calculated from the time on which nine months have elapsed, after the time on which the notice of objection was received by the Inspector.

## Overview deductible expenses

	Employee costs	Entrepreneur Income tax
Workspace in the home of the taxpayer	Deductible under conditions	Deductible under conditions
Commuting	No deduction	No deduction
Vessels	No deduction	No deduction
Work-clothing	Deductible	Deductible
Regular clothes	No deduction	No deduction
Professional literature	Deductible	Deductible
Phone subscription	No deduction	No deduction
Cost of criminal activities	No deduction	No deduction
Bribes	No deduction	No deduction
Sound, image, computer and telecommunications equipment	Deduction, dividing costs over 3 years and threshold of NAf 750	Fully deductible
Courses, conferences, seminars, symposia	Deduction 75%, maximum NAf 2,500	Travel expenses deduction 80%; other costs fully deductible
Personal care	No deduction	No deduction
Food, drink and stimulants	No deduction	80% deductible
Gifts and corporate gifts	No deduction	Deductible
Representation (receptions, festive gatherings and entertainment)	No deduction	No deduction
Excursions, study trips	No deduction	Deductible 80%
Business trips	NAf 0,35 per kilometer.	For private car: NAf 0.35 per kilometer. For business car: unlimited.
Cost of a car provided to the taxpayer	Only fuel cost (gasoline or diesel)	n.a.

## How do you calculate your income tax?

1. You calculate your taxable income by completing the summary statement A or B on page 16/17;
2. Using the bracket rate, you calculate how much income tax you owe on your taxable income. If part of your income is taxed at a special rate, you must deduct this part from the taxable income.

Taxable income		but not more than		Tax amounts Naf	
Naf	0	Naf	32.054	0	12,50 %
Naf	32.054	Naf	48.082	4.006	20,00 %
Naf	48.082	Naf	66.781	7.212	26,25 %
Naf	66.781	Naf	100.169	12.120	33,75 %
Naf	100.169	Naf	141.572	23.389	40,00 %
Naf	141.572	Or more		39.950	47,50 %

1. You can deduct the basic discount and the surcharges that apply to you from the calculated tax.
2. You must set off the wage tax withheld against the income tax owed.

Four situations are possible:

- » The wage tax is lower than the income tax to be paid. You are eligible for an assessment if you have to pay more than Naf 300. You will still have to pay the difference;
- » The wage tax is higher than the income tax to be paid. You will be refunded the overpaid tax if you are entitled to at least Naf 150 and you have submitted the income tax return within 36 months after the end of the tax year;
- » If you do not have to pay more than Naf 300 or if you have to get back less than Naf 150, there will be no additional payment or refund;
- » If you have received a wage tax reduction (hardness), you are eligible for a mandatory assessment if you have to pay more than Naf 50 or if you have to get back at least Naf 50.

Calculated income tax bracket rate	Naf
Special rate	Naf _____ +
Total calculated tax	Naf
Off: basic discount and surcharges	Naf _____ -
Income tax due	Naf
Deducted: wage tax withheld (see question 3)	Naf
Deduct: Income Tax withhold on Domestic Interest	Naf _____
Payable or Refundable	Naf

## Overview basic discount and surcharges

<b>Basic deduction</b>	<b>NAf</b>	<b>2.086</b>
<b>Sole earner allowance</b>	<b>NAf</b>	<b>1.393</b>
<b>Child allowance</b>		
<b>Category I (a+b)</b>	<b>NAf</b>	<b>742</b>
<b>Category II</b>	<b>NAf</b>	<b>370</b>
<b>Category III</b>	<b>NAf</b>	<b>95</b>
<b>Category IV</b>	<b>NAf</b>	<b>75</b>
<b>Senior allowance</b>	<b>NAf</b>	<b>1.052</b>
<b>Transferable elderly allowance (maximum)</b>	<b>NAf</b>	<b>527</b>

## Special rate

Some income is taxed at your written request at a special rate that is not less than 16.25% and not more than 32.50%. This concerns income that is not part of your regular income and therefore occurs less frequently. This special rate applies to:

- » compensation payments;
- » golden handshake;
- » lump sum payments (except pension);
- » allowances intended to replace lost or to be lost income that relate to more than one year, such as the lump sum received for alimony.

At your written request, this income will be taxed at 80% of the difference between the progressive rate on the taxable income (including this income) and the taxable income without this income.

## Outside community of property

If you are married outside of community of property and you or your spouse request separate taxation, you calculate the income tax to be paid as stated above.

In the case of separate taxation, only the calculated tax is divided among the spouses in a different way. By completing summary statement C, all income and deductible items are attributed to the spouse from whom they originate and your personal taxable income is calculated. The total income tax to be paid by both of you is then divided in proportion to your personal taxable income.

## Conversion

### Conversion

The taxable income of a person who is not a resident taxpayer for the entire year is converted into a full-year income. The normal tax table rate applies to this full-year income. The basic reduction and, if applicable, the allowances are deducted from the calculated income tax. The income tax is then calculated proportionally.

**Pay attention!** For the conversion, the calendar year is set at 360 days. For the calculation of the number of periods, each full month is set at 30 days and the day on which the tax liability starts counts, but the day on which the tax liability ends does not count.

### Example

You emigrated on April 17, 2020. In the period from January 1 to April 17, 2020, you received a taxable income of NAf 32,000. Number of days: 106. The calculation is as follows:

1. Converted full year income $(360/106) \times \text{NAf } 32.000$	NAf	108.679
2. Calculated income tax	NAf	See tax table
3. Deduction: Basic allowance	NAf	2.086
4. Indebted income tax	NAf	Rij 2- rij 3
5. Time-proportionate due $(106/360) \times \text{column 4}$	NAf	

**Pay attention!** If there is both residential and non residential tax liability in the calendar year, you should only apply the conversion rules to the period of residential tax liability.

**Pay attention!** Income to which the special rate applies will not be converted. The same applies to other incidental income to which the special rate does not apply.

**Pay attention!** When calculating the taxable income, the maximum amounts for contributions to savings or provision funds (question 3f), professional expenses (question 3g), annuity premiums, annuity savings or investment account (question 7f), interest and loan costs (questions 15b and 15f), living expenses (question 16a) and study costs of children (question 16m) must be recalculated proportionally to time.